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17 April 1984

WEST EUROPE REPORT

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SOCIALIST PEOPLE'S MP URGES BACKING OF FAEROES N-FREE ZONE

Copenhagen INFORMATION in Danish 29 Feb 84 p 8

[Article by Jorgen Dragsdahl]

[Text] The whole North is encouraged to follow the Faeroese example, but that may not be for a long time yet, according to the hearing.

Socialist People's Party's Pelle Voigt asked Prime Minister Poul Schlueter on Tuesday to explain how the government will support the Faeroese Lagting, which last week declared the Faeroese Islands to be a nuclear-free zone.

"The government must respect and work for this demand because last year the majority of the Folketing voted for an active effort toward Nordic nuclear-weapon freedom," Pelle Voigt said. "If the government will not do anything, then I am certain that the Folketing majority will deal with the matter."

Denmark has sovereignty over the Faeroese in foreign policy matters, and a Danish decision is therefore necessary if the Lagting's decision is to have practical consequences. The Lagting earlier opposed the setting up of military installations on the islands, but Denmark has not considered this wish.

Beyond Conflict

The Lagting's resolution, which was approved with a large majority, says: "In agreement with the Lagting's resolution of 19 August 1970 that the Faeroes shall stay away from conflicts between countries and oppose the storing of war material on Faeroese territory, the Lagting declares the Faeroes to be a nuclear-weapon-free country."

Headmaster Hilmar Kass, who is the leader in the Lagting's market committee, which dealt with the matter, says that there has been a long discussion on how much the Faeroese Islands should stand together with the North in a nuclear-free zone. "But the position has been that we don't want to get mixed up in what the others are doing. We have decided that we ourselves don't want nuclear weapons on the Faeroese Islands or in our territorial waters."

The Lagting has asked the Faeroese government to contact Prime Minister Poul Schlueter, and it is hoped that he will say that Denmark respects the Lagting's resolution. The Ting cannot itself legislate in this area, Headmaster Kass stressed. He is a member of the Independence Party.

Talk Less, Act More

Prime Minister Schlueter refused to comment yesterday on the Faeroese status as a nuclear-weapon-free zone.

Faeroese Erlendur Patursson of the Republican secessionist party, Tjodveldisflokkurin, urged yesterday from the speaker's platform of the Nordic Council the other Nordic countries to follow the Faeroese example and to declare the whole area as a nuclear-weapon-free zone. "I hope that our initiative can get the rest of the North to talk less and act more," he said.

Patursson also complained of the "forced acceptance" on the part of the Faeroese to military cooperation by Denmark and described the position of the Faeroese delegation in the Nordic Council as "unfree."

The resolution to give the Faeroese the new status was passed by the Lagting on Friday with 32 for and 23 against.

Hearing

In connection with the Nordic Council's session this week in Stockholm there has also been held a hearing on the North as a nuclear-free zone.

Here the former Social Democratic prime minister, Anker Jorgensen, said that Denmark could very well take steps toward the establishment of a nuclear-free zone in the North without the absolute necessity of U.S. approval. "If we are to wait until the heaviest link in the chain is in place in the thawing-out process, we run the risk that nothing will happen," Jorgensen said.

He did stress, however, that any step toward the establishment of the zone should be discussed with Denmark's NATO allies, and that the nuclear-free zone's final establishment be dependent upon guarantees by the superpowers.

The hearing in Stockholm was arranged by the national office of Sweden's Youth Organizations and had participation by politicians from all Nordic countries except Iceland, which was nevertheless invited.

In spite of the renewed interest in the Nordic countries for the question, the participating politicians agreed that the establishment of a nuclear-weapon-free zone in the North still lies a long way in the future, and that it will be quite some time before the actual negotiations can begin.

"The thing to do now is to carefully discuss the ideas to create an opinion. Then it will become easier to move those who must be moved. We will work with the idea and let it ripen," Anker Jorgensen said.

Various Positions

In the governments in the Nordic countries there are various positions on the question because the governments have differing party colors, and three of the countries -- Denmark, Norway, and Iceland -- are members of NATO.

The Norwegian government wants to deal with the question primarily within NATO, according to Arne Skauge of the Norwegian governing party, the Conservative Party. "A nuclear-weapons-free zone must be a link in a large European connection and a link in NATO's presentation and strategy. We don't want to come into a path that will lead to Nordic neutrality," he said.

Maj-Britt Theorin, who is the Swedish Social Democratic government's representative in questions of disarmament, that that Sweden is almost in agreement with Finland on the desire to have a nuclear-weapons-free zone established in the North with superpower guarantees that assure the Nordic countries that in case of war the superpowers will not use nuclear weapons or threaten to use nuclear weapons against their territory. In return, the Nordic countries will give up the possibility of stationing nuclear weapons on their territory in war and peace.

Maj-Britt Theorin and the Finnish representative Esko Aho added that a nuclear-weapons-free zone must be supplemented with arrangements that have the superpowers' nuclear weapons pulled back a distance from the Nordic countries.

Gutterm Hansen of the Norwegian Labor Party said that superpower guarantees were absolutely necessary. "Otherwise it is no nuclear-free zone, but just a piece of paper that means nothing at all in war," he said.

In this connection, Jorgensen stressed that even the best agreement will not be a complete guarantee that the Nordic countries will not be dragged into a nuclear war. "All treaties have the tendency to become just a piece of paper when the fat is in the fire," he said. "But a treaty is better than no treaty."

An Icelandic politician was also invited to the hearing, but stayed away. In the general debate on Tuesday, the Icelandic trade minister of the non-socialist government, Mathias Mathiesen, warned the Nordic countries against consciously or unconsciously forgetting Iceland. "The time is not ripe to make a proposal on a Nordic basis for establishing a nuclear-weapons-free zone unless it is a link in a larger agreement between the Soviet Union and the U.S.," he said.

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RITT BJERREGARD INITIATES INTELLECTUALS PEACE FUND GROUP

Copenhagen INFORMATION in Danish 1 Mar 84 p 1

[Text] Yesterday the peace movement became a people's cause. At any rate if it falls within the extensive circle with Ritt Bjerregard at the head as the founder and supporter of the Peace Fund's Circle of Friends. A completely new "movement" with a series of important people from political life, the union movement, science, art, and sports as sponsors.

The Peace Fund was established when the Plum Fund, after 15 years of activity, was dissolved in the fall of 1981, but has now used up its means in support of peace activities. To stress the Peace Fund's cross-party activity and to increase its contact with wider circles, the Peace Fund's Friends was created, Niels Munk Plum reported at the opening of a festive press conference at Christiansborg Wednesday, which was attended by the whole Danish peace movement's various branches and organizations.

Ritt Bjerregaard, who as a representative for the Friends has taken over the leadership of the Peace Fund, explained the new initiative: "We are very concerned that the support not just lead to a centralization that would mean death for the peace movement as a grass roots movement," she stressed and continued: "Can such a peace fund and such a support organization not be misused for pure and simple communist propaganda, people will ask. Yes, it can easily be, for the Soviet Union will naturally have a lively and completely understandable interest in weakening military preparedness, and among other things also in undermining the support defense has among the people. Disinclination to play the role of a "useful idiot" is probably more than anything else the thing that has given me and others reason for doubt.

"But the fact that the Soviet Union is interested in stressing certain elements of peace work and concealing others cannot force us to sit and twiddle our thumbs and submit to the fear of war as something fateful. Our starting point must be with ourselves, what we can do, what we must do," Bjerregaard stressed.

Sport and Peace

The representative for the national handball association, Morten Stig Christensen, said among other things, "The peace movement for me is not a question of proving but of feeling, sensing and believing. The peace movement

has stirred up the duck pond and stimulated massive groups in the world of sports. The idea that sports and politics have nothing in common has received a warning shot across the bow." He finished his speech this way: Concepts such as feelings of togetherness, critical taking of positions, sense of responsibility, setting of goals, cooperation, and interaction among people are essential parts of sport. Sport is a peaceful coexistence among people. To practice sport is to want peace. Therefore more and more athletes in the future will actively take part in questions of peace."

The President of Copenhagen's university, Ove Nathan, found that a credible security policy must be formulated within the framework of a defense alliance among the Western democracies, which must have a clear and defensive point of view. Nathan hoped that the Peace Fund will also stimulate the formation of credible alternatives by cooperation between peace movements, peace researchers, politicians, technicians, and even military experts.

The leader of the Semi-Skilled Workers' Union, Hardy Hansen, explained the union movement's interest in and support for peace work, and he said he expected close cooperation with the Peace Fund to further "a more deeply-felt engagement" among the people.

Peace researcher Jan Oberg closed the presentations with a comprehensive analysis of the cold war and the global conflicts. He stressed the right to defense, but also our right to refuse to be victims. He concluded, "A global system of peace is possible if we put our own house in order first and build the "large" peace up with the help of many small examples of "peace," which agree with local situations. Yes, peace must be ambiguous and pluralistic -- otherwise peace politics will become totalitarian."

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SDP MEMBER: EC PARLIAMENT SHOULD TAKE GREATER ROLE IN ARMS TALKS

Copenhagen INFORMATION in Danish 12 Mar 84 pp 1, 10

[Article by Bjarke Larsen]

[Text] "In order to secure peace and to support relaxation of tension, Europe must assume some responsibility. This means that the EC countries must increase their efforts in the political aspects of security. It also means that they must take their own position, and a stronger and more independent position than up to now, in these areas."

This was said in a central section on Europe's security in an election manifesto that was adopted Friday afternoon at a meeting in Luxembourg of "The Coalition of Social Democratic Parties in the EC." The manifesto, which is all in all 25 pages, is to form the basis for the social democratic parties' election campaign before the EC elections in the middle of June.

This was reported by Social Democrat Ove Fich, who is a member of the EC parliament, to INFORMATION. He stresses at the same time that it clearly stands in the manifesto that the EC has no competence in regard to the military aspects of security. Fich stresses further that there is talk of adoption in a meeting of party members. "It is not an EC institution expressing itself, and our statement does not just include the EC, but deals with Europe and Europe's future. Otherwise I would have been more reserved in the adoption," Fich said.

The above formulation is found in a section on European security in which it is also stated that the 10 EC nations will use their common political strength to take common security policy initiatives, for example in the Middle East. In the introduction the role is recalled that the EC countries played in all the political cooperation in Europe as in connection with the Security and Disarmament Conference in Helsinki and Madrid -- and is now playing in Stockholm.

INFORMATION asked Fich how the Social Democrats intend to separate the political aspects of security from the other aspects.

"It is clear that there is no sharp line between the political and military aspects of security. There are subjects that belong to the foreign ministers

in the European Political Cooperative (which formally lies outside the sphere of the EC, but consists of the same countries, ed.), and we in Denmark do not believe that either the EC parliament or the EC commission should get mixed up in security policy cooperation. What we have created is a program on what the socialist parties should work for in European policy as such."

"But won't your paper be used in the attempt to introduce security policy into the EC?"

"Those who want this don't need our paper to do it. Some of them are doing it just the same, and the Danish Social Democrats will oppose this."

"In which forum will these things be discussed?"

"We haven't written anything on this. We have just written, 'We socialists intend to work for...', It can take place in the foreign policy cooperation within the EC, but there are also many other organs, the European Political Cooperative, and the European Council, for example."

Away from U.S. Influence

Another important Social Democratic candidate in the EC elections, Ejnar Hovgaard Christiansen, who is the day-to-day head of the Social Democratic party apparatus, has recently advocated increased security policy cooperation in Western Europe.

This was in a speech on 3 March to the Social Democratic representatives in Copenhagen, where he, after having discussed Europe's vulnerable situation between the two superpowers, said among other things: "In this situation, the European Political Cooperative claims special interest. In the EPC the member countries are discussing the foreign policy aspects of security policy. The military aspects will be discussed now as before in NATO.

Experience shows us that the ten countries have to an increasing degree been able to agree on formulating common points of view. This is what has significance now. This means that we cannot let President Reagan draw the lines for Western cooperation by himself. Within the framework of this cooperation the ten must -- with the strength their common action gives them -- formulate common viewpoints."

Reagan Unites

Concerning this problem, Fich says, "If Reagan is reelected, one will quickly see a breaking up in Western Europe. Therefore we must consider quite seriously how we shall react. Just as Education Minister Helge Larsen in his time united the students, Reagan has united the Western European countries."

At the same time, Fich stressed that there is nothing in the paper on the need for a common Western European weapons industry, and that the word "union" does not appear at all.

Great Progress

Fich added that the manifesto is an expression of very great progress: "In connection with the elections in 1979 we could not agree on anything at all. Now we have a common proposal of 25 pages, of which everyone is for the most part agreed. This comes to a very great extent from the fact that we have been together for five years in the EC parliament and have gotten to know one another and each other's viewpoints."

In spite of the five years of togetherness in the parliament, there is still continued disagreement. In the chapter on the future power of institutions, both the Danish and the British delegation have expressly rejected the section giving the EC parliament more power and reducing the national use of the right to veto.

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SOCIAL DEMOCRATS WARNED: NATO ROLE INCOMPATIBLE WITH 'ZONE'

Copenhagen BERLINGSKE TIDENDE in Danish 15 Mar 84 p 13

[Commentary by 'Monitor']

[Text] An isolated nuclear-free zone in the North is incompatible with continued membership in NATO. Therefore the Social Democrats must choose, Monitor writes in this survey of the principal questions.

Today and tomorrow the Folketing will once again discuss security policy. After having assured Denmark's disassociation from the dual decision, it is now the aim of the left wing to carry on the more general attack on NATO's strategy that was introduced last year. The goal is a further isolation of Denmark within the alliance. There are many ways to do this; one of them is the proposal for the North to be a nuclear-free zone.

When this is a good method, it means naturally that this is a matter in which Social Democratic positions are divided. This creates possibilities for the left wing parties, which are politically impotent, as long as the Social Democrats stand fast. A series of statements by leading Social Democrats, with Anker Jorgensen at the head, have shown that a nuclear-free zone is a suitable subject in the continued discussion of security policy. As the governing party, the Social Democrats had many reservations about the idea and set up a series of conditions for it to become at all relevant and realistic and for it to be discussed. Why have these reservations and conditions disappeared recently? What has changed in Denmark's security policy circumstances since Anker Jorgensen in 1981 in Helsingfors (of all places) pronounced the immortal, statesmanlike words, "I don't feel like talking about a nuclear-free zone anymore"?

First of all, the Social Democrats owe the astonished public a closer explanation of the party's view of the role of nuclear weapons in NATO's deterrence policy. The decisive thing must be to prevent war in Europe, not to substitute one form of war for another. Denmark's membership in a nuclear-free zone would just mean that the country was no longer included in NATO's general strategy of deterrence. Will this increase or decrease the credibility of the alliance's guarantee for the country's security?

Then there is need for a clarification of Anker Jorgensen's and Ritt Bjerregaard's recent statements that the U.S. position is not to be decisive for whether Denmark continues to work on the idea of a nuclear-free zone. But the credibility of the alliance guarantee is based on both political and military factors. How do the Social Democrats think that the strength of the alliance can be credible if Denmark enters into a security arrangement that our most important allies do not find acceptable?

Finally, the Social Democratic Party was of the opinion as the governing party that the questions of a nuclear-free zone should be regarded "in a broader European connection." The party has now abandoned this position and says that Denmark's security policy interests can also be considered in an isolated Nordic zone. The two positions are definitely different, but the party has never argued for the logic of the new position.

An isolated, nuclear-free zone in the North raises a series of concrete questions about the compatibility of alliance and zone. The integrated defense of Denmark and the northern section of West Germany within the unified command could not be upheld if Denmark entered into such a zone. How do the Social Democrats evaluate the consequences of the dissolution of the unified command for the political and military credibility of Danish security policy, for the relationship between Denmark and West Germany, and for Denmark's general position within the alliance?

The supply of allied reinforcements is a decisive element in both the general alliance guarantee and for the concrete possibilities of defending Denmark. How can the Social Democrats make it probable that Denmark will still be able to count on reinforcements if we take a partial step back from the alliance strategy and move partially into an arrangement that is not approved by the countries that in a given case are to send reinforcements to Denmark? Denmark will also be forced to withdraw from the other parts of the integrated cooperation within the alliance. This means warning and communications systems that the Soviet Union (in agreement with the domestic left wing) claims are included in the alliance's plans for the waging of war with nuclear weapons, and that a nuclear-free country can therefore not take part in. On the basis of a somewhat similar line of reasoning Denmark would have to withdraw from NATO's atomic planning group as well as all the other organs that deal with alliance strategy. Yes, one can ask whether the country that enters into a formal and guaranteed nuclear-free zone can take any part at all in any NATO organ, the Council of Ministers included.

No participants in the Danish debate have up to now been in a position to deny the political and military consequences stated here of Danish participation in an isolated, Nordic nuclear-free zone. But the consequences in total do not make up a special position within the alliance. They are tantamount to withdrawal.

Among the few concrete statements about the new position of the Social Democrats, one finds that one that a nuclear-free zone is to be guaranteed by the nuclear-free powers. The guarantee is to include a promise no to use nuclear

weapons against countries in the zone. And this sounds good, of course. But what does it mean?

First of all it is clear that such guarantees are completely without meaning if there should be a nuclear Goetterdaemmerung in Europe. The guarantees are therefore only of interest in peacetime -- like a so-called confidence-building measure and like a foreign policy instrument.

Secondly, it is difficult to imagine how it would be possible to involve the U.S. and other allies into an agreement if the zone were established in conflict with the interests of these countries, as the Social Democrats now seem to think it can be done.

Finally, it is long from given that the Soviet Union is willing to give guarantees that are of relevance for Denmark's security. If one looks closer at the Soviet Union's position on the treaty on the nuclear-free zone in Latin America, it turns out that the Soviet guarantees are of an extremely doubtful character for countries that are allied with nuclear weapon powers.

On the other hand an arrangement that is guaranteed by the nuclear powers would mean that the Soviet Union would have a formal basis for making claims on and complaints against concrete elements of Danish alliance and defense policy. Therefore it is extremely doubtful that a guarantee arrangement will have the confidence-building effect that is really the only argument for it.

The list of unanswered questions is even longer: Are Greenland and the Faeroe Islands to go along, or is the commonwealth to break up on security policy? Is the Baltic Sea to be completely or partially included? What about sounds and belts? Will it still be possible for superpowers to sail here with nuclear weapons, even if it is in Danish territorial waters?

Or shall we make an exception so that only those parts of Denmark that are already nuclear-free shall enter into the zone? And who is to keep check on the fulfillment of the agreement, and how? Shall bordering thinning-out zones be connected to the zone from which short-range nuclear weapons are to be removed? Are the Kola Peninsula, the Baltic Sea, and Schleswig-Holstein to be included in the thinning-out zones, etc. etc.

The decisive question naturally concerns continued membership in the alliance. Politically, strategically, and technically, it is impossible to join an isolated nuclear-weapon-free zone in the North with membership in NATO.

Therefore the Social Democrats must choose what the party wants. It is no good to make ritual commitments to alliance membership as long as one obviously flirts with the thought of an isolated nuclear-free zone in the North.

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ACTIVITIES, CONTACTS OF ETA IN BELGIUM

Brussels KNACK in Dutch 22 Feb 84 p 44-45

[Article by Paul Maes: "Whoever Crosses the Border Is Guilty"]

[Text] Recently in Antwerp, three young Basques were arrested with a large load of weapons in their possession. Spain is requesting their extradition.

On 2 November 1983, three young people were stopped on highway E10 near Antwerp. In their car were found 2,000 bullets in brand-new Fabrique-Nationale packaging. After inquiries were made, it appeared to involve three Basques, two of them Spanish and one French by nationality. They admitted to being members of the Basque resistance group ETA, or at least to a splinter group, the so-called Octavos. The men involved are Jose Arteche Gonzalez, 23, from Galdecano, Josu Ormaza Coral, 30, from Bermeo and Charles Lopez, 27, from the French Basque region.

The transport of munitions is illegal in Belgium, and the three will thus be sentenced here, which is probably the best thing that could happen to them. However, Arteche and Ormaza are being requested by the Spanish police, and on 28 December they were paid a visit by the judicial police. They had to sign a paper from which it appears that they are being held at the disposal of the Spanish authorities. Their extradition will soon follow.

Thus, the matter is going quite smoothly. A normal extradition procedure between two democratic nations. Or is it? According to Christian Dutoit, chairman of the Flemish-Basque support committee Anai Artea, it is all going by a little too smoothly. There is obviously the desire in judicial circles to avoid the uproar that previously thwarted similar attempts at extradition. And the Spanish government is being careful not to again toss its human rights image out the window. We had a conversation with Dutoit and Inaki Hormaetxea, who has lived in the French Basque region for 2 years as a fugitive of radical-nationalist conviction.

Is it not normal that Belgium extradite terrorists to a nation that will shortly enter the EC?

Dutoit: There is sufficient material available to show that the Spanish socialists are not particular about human rights, certainly not in the Basque region. There are the reports by Amnesty International and the Belgian League for Human Rights about arbitrary arrests and torture. There are the reports by Amnesty International and the Belgian League for Human Rights about arbitrary arrests and torture. There is much testimony by leading figures in Spain--doctors, intellectuals, politicians--that torturing is going on in abundance in the Basque police barracks. Even the head of the Basque regional government, Christian Democrat Carlos Garaikoetxea, said that he is morally convinced that massive torturing is taking place in the police stations. Antiterrorist legislation allows the police to keep any citizen incommunicado for 10 days, and that law is used against the Basque movement on a large scale. As far as we're concerned, Belgium cannot extradite any people to a nation that will with absolute certainty torture them.

Book

Two of the three Basques have been accused of murder?

Dutoit: The murder of army captain Alberto Martin, that's correct. But the Spanish authorities are not presenting a single piece of evidence. They can say whatever they want. The police fabricate charges one after another, so that they have an accusation against anyone who crosses the border. These are always based on the confessions of citizens arbitrarily rounded up who have been threatened or tortured for 10 days. A short anecdote: two years ago several Basque refugees were staying with VU [People's Union] senator Walter Luyten. One of them, who was wearing his arm in a cast, heard on French television to his great surprise that he was being sought for an attack on the Guardia Civil which had been carried out the day before, more than a thousand kilometers away.

Hormaetxea: Every Basque who crosses the Pyrenees is automatically detained when he returns, without any charge, but with the goal of forcing confessions. When my girlfriend comes to the Northern Basque region, she takes the bus for foreign workers out of Austria. That way at least you can cross the border incognito. My brother has been detained twice while returning. The second time, he was held in the barracks of Guardia in Bilbao for 10 days, then in Madrid. He is not at all politically active. But they wanted to prove that he too was a terrorist, he underwent all the classical tortures (the rod, the plastic bag, standing against a wall for days). Finally he signed a fatuous confession, and sat out a term of several months. Many friends from my village have gone through the same thing.

Is Belgium a pivotal spot for weapons purchases by the ETA?

Hormeatexea: The market is large, weapons for the ETA come from everywhere. In Spain they contend that everything is smuggled in from Algeria. The government and the military can say whatever they want.

It has been suggested in the Flemish and the French-speaking press that the three in Antwerp had contacts with various extreme leftist associations in Flanders?

Hormaetxea: There is solidarity everywhere with the Basque movement. The Flemings have known problems similar to ours, and they thus feel allied with the Basque people. All support is welcome, whomever it comes from and whether it is on the cultural or the political level.

Dutoit: A confident press is misusing this incident. The allegation concerning so-called extreme leftist contacts in Flanders is based only on an address book found in an apartment in Louvain. We suspect that it involves a notebook from a Third World shop in which all leftist associations are included. The girl who was renting the apartment was only questioned after everything had been spread around. There is simply a desire to create the atmosphere of a grand ETA conspiracy in Flanders. Do you know that the ETA even has contacts now with DE MORGEN, Amnesty International and KNACK, all according to the same address book?

Hormaetxea: In the Spanish press (among others, in LA VOZ DE GALICIA), eta contacts with the VMO (Flemish Militant Order) are imputed regularly. Things are said according to what comes out best.

And the threats against Willy Kuypers?

Dutoit: Is it not absurd that large Flemish newspapers consider this front page news, just like that? Without the least indication that the messages actually originated with the ETA? You can read in the Spanish government's Zen plan that the police must send false reports to the press, as long as they are credible. And a little further on, it says that the Spanish embassies must cooperate in the struggle against the ETA, using all possible means. Kind of makes you wonder?

Christian Democrats

Anai Artea is declaiming against the extradition of Arteche and Ormaza. At stake here ultimately are militants who are fairly marginal within the Basque movement. What do you expect from this?

Hormaetxea: I myself am more of the radical-nationalist persuasion (Herri Batasuna) at home. The three that you name belong to the Octavos. That splinter group split off from the ETA-Political Military [ETA-PM], which had merged with the Euzkadiko Ezkerra (Basque Left) party. The Septimos of the ETA-PM laid down their weapons unconditionally in exchange for measures of leniency. But several militants united at the eighth assembly of the ETA-PM, thus the Octavos, and they decided to continue the fight. Even within the Octavos there is a split in progress between orthodox Marxists and leftist nationalists. But this is all being enacted on the level of ideology and leaders. The people don't make the distinction. There is solidarity among all abertzale forces (nationalists) against

repression. Herri Batasuna as well, and even the Christian Democratic PNV (Basque Nationalist Party) is declaiming against the extradition of Arteche and Ormaza.

Dutoit: Gorka Aguirre, who is responsible for foreign contacts within the PNV, has already interceded at the Belgian consulate in Bilbao. Aguirre is himself a political refugee from the time of the civil war. He was raised in Antwerp and has many friends in ACV [General Christian Labor Union] circles. And since the PNV will also shortly become a member of the European People's Party, we expect much from that intercession. The decision does belong to Minister of Justice Jean Gol, but in view of the sensitivity of the issue, the entire cabinet will certainly have its say on it. As a Christian Democrat, Leo Tindemans must then be more sensitive to the petition made by his comrade in spirit from the PNV. In the senate he did affirm that Belgium wishes to make a stand for human rights everywhere, for non-fellow countrymen as well. We expect less from Jean Gol. He belongs to a persecuted minority himself, but public opinion in Wallonia is exerting no pressure at all.

12271
CSO: 3614/53

FOREIGN MINISTER: NEW LEFTIST MP'S THREATEN SECURITY POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 22 Mar 84 p 8

[Article by Kirsten Lauritzen and Michael Ehrenreich]

[Text] The background is the many detailed questions on defense and security policy that have been asked in Folketing in recent weeks by SF [Socialist People's Party] member Jens Thoft and VS [Left-Socialist Party] member Keld Albrechtsen. The rate both Folketing members are asking the questions and the manner in which they are doing so indicate a systematic attempt to cast suspicion, in the foreign minister's view.

Foreign Minister Uffe Ellemann-Jensen is accusing a number of newly-elected Folketing members from SF and VS of undermining Danish security policy and serving other than purely Danish interests.

The background for this is the many detailed questions on defense and security policy that have been asked in Folketing in recent weeks by SF member Jens Thoft and VS member Keld Albrechtsen. Both members of Folketing are asking questions at a rate and in a manner that indicate a systematic attempt to cast suspicion, the foreign minister said.

"As this pattern began to emerge, I was first astounded, then annoyed and now I am anxious," Uffe Ellemann-Jensen told BERLINGSKE TIDENDE after a new question from Jens Thoft yesterday on American installations on the Faeroe Islands.

"Of course there is nothing wrong with having a free and open debate in which a lot of information can be brought out on these things. But when people use such information to systematically cast suspicion--by presenting 'secret agreements and documents' as sensations, for example--then things have gone too far," said Uffe Ellemann-Jensen.

"And when they also try to undermine Danish security policy, as in the question on the status of Bornholm, for example, I am forced to ask myself whose interests are being safeguarded here," the foreign minister said.

Yesterday Jens Thoft wanted to know the purpose of an American NARS [expansion unknown] station on the Faeroes and whether its location is in accordance with Danish security policy.

The station was discussed in an article in the magazine FORSVARET, which is critical of the military.

According to Uffe Ellemann-Jensen, the sole purpose of the NARS station is to receive and transmit communications and the foreign minister added yesterday in Folketing in response to a supplemental question from Mette Madsen (Liberal) that one of the authors of the article in question was sentenced by a Norwegian court in 1981 to a 6-month suspended sentence for intelligence activity for a foreign power.

"This is absolutely not a military base. Only 10 people work there altogether and some of them are Danish," said Uffe Ellemann-Jensen.

6578
CSO: 3613/121

PROTESTANT SPOKESMAN ATTACKS DEMOGRAPHIC REPORT

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 31 Jan 84 p 18

/Text/ Frankfurt/Main, 30 Jan--The "Report on Population Trends in the FRG" presented by the Federal Interior Ministry, which predicts a decline in the German population to 38.28 million inhabitants in the year 2030, whereas the number of foreigners is to continue to rise is being increasingly criticized. Juergen Miksch, expert on matters concerning foreigners in the ecclesiastical office of the Protestant Church in Germany [EKD], considers it "politically questionable and objectively false to produce fears in the population in this way." Whereas the federal interior ministry is proceeding from the assumption that the number of foreigners will increase from today's 4.5 million to 7 million in the year 2000, statistics, according to Miksch, show that the number of foreigners born here has declined since 1980. According to Miksch, birth rates for German and foreign inhabitants are becoming more and more similar. The EKD expert on foreigners is calling for a "scientifically-based discussion" on the forecast published by the Bonn ministry.

Gerd Hohorst, Wiesbaden economist and social scientist, for example, presented results quite different from those of the authors of the Bonn report. In a University of Bielefeld investigation supported by funds of the Land North Rhine-Westphalia, Hohorst comes to the conclusion that the birth rate in the FRG is not following a continually declining trend but changes cyclically. Forecasts by federal office of statistics, to be sure, had a "maximum of official competency" but in scientific terms are "not on a discussible level."

According to Hohorst's calculations, the birth rate will stabilize itself at two children per family by the year 2000.

9746
CSO: 3620/219

BERLIN TURKS EXPLORE PHASED NATURALIZATION

West Berlin TAGESSPIEGEL in German 3 Mar 84 p 8

/Text/ Before the parliamentary committee for matters concerning foreigners yesterday, representatives of the Turkish community in Berlin characterized naturalization as a necessity that "cannot be avoided." In an exchange of views promoted by the FDP parliamentary group, they sought to clarify their ideas on integration and a future living together of Turks and Germans. In its composition, the Turkish community sees itself as representative to speak for the majority of its countrymen.

Although the committee was in agreement that one must facilitate naturalization through new legal bases, there were substantial legal reservations in regard to the demands of the Turkish community. Turkish representatives had proposed the initial introduction of a sort of double citizenship for a period of 5 years, in the course of which Turkish citizenship should initially be in abeyance, a kind of "engagement at the end of which there may be a marriage."

As an alternative, they suggested granting a so-called right of domicile to all Turks who had immigrated prior to 31 October 1973, with the same rights and obligations that apply for a German, including suffrage in municipal elections. This step beyond the residence permit as well could be a preliminary step toward attaining final German citizenship.

The representatives of the Turkish community countered the doubts of members of parliament concerning Ankara's approval by pointing out that in this matter they are also active in the Turkish foreign ministry.

Other subjects of the exchange of views were school problems and sports matters. Here the Turkish representatives demanded above all classes in Turkish culture in German schools and Turkish as a foreign language equal to English and French.

9746
CSO: 3620/219

VAYRYNEN DISCUSSES FOREIGN AID GOALS IN PARLIAMENT

Poor Planning of Some Projects

Helsinki HELSINGIN SANOMAT in Finnish 7 Mar 84 p 9

[Article: "Development Aid Goal Remains: Government Gives Report, Differing Opinions in Parliament"]

[Excerpt] The Government is holding persistently to its goals to raise the proportion of development aid to the target of 0.7 percent of the gross national product in the second half of the decade.

Foreign Minister Paavo Vayrynen (Center Party), who made the first-ever report on development work to Parliament, added that the goal will be pursued "within the framework of economic possibilities."

The Minister of Finance is known to have opposed including the goal figure while the report was being prepared.

Government auditors and the Budget Control Office have criticized some development projects for poor planning. "It is true that some completed projects have turned out less successful or actually unsuccessful," Vayrynen admitted.

According to Vayrynen however, the intention is to make preparation, implementation, and control of projects more effective by, among other things, making use of expertise from outside the UN International Development Association more than before and cooperating with recipient countries and international organizations.

Although Finland's development funds do not nearly approach 0.7 percent of the GNP, the quality of development work stands up to international comparison, Vayrynen observed.

Vayrynen also addressed the question of to what extent development cooperation and Finland's economic interests should go together. According to Vayrynen, we will try to direct aid so that private economic life, the public sector, and organizations can participate in projects as broadly as possible.

According to Vayrynen, the alternative for Finns would be that projects funded by development money would go to others. In 1980-82 about 57 percent of development aid returned to Finland

Aid Program Details

Helsinki HELSINGIN SANOMAT in Finnish 7 Mar 84 p 9

[Article by Tellervo Yrjamaa-Rantinoja: "Development Aid is Part of Foreign Policy"]

[Text] The Government's broad report on development work reviews the general principles of Finland's development aid and registers its applications during recent years. The Government envisions that development cooperation in the future will follow the old types for the most part.

The Government repeats its promise of a goal of 0.7 percent for development aid and of continuing cooperation with former developing countries.

The Government recalls that development cooperation is part of Finland's foreign policy, and it serves the general aims of foreign policy.

According to the Government, countries are chosen as targets for development aid that are striving to strengthen their economic independence and to guarantee to all the same political, economic, social and cultural rights. In accordance with these principles, attempts are made to direct aid especially toward the poorest countries and the poorest population segments.

The Government in its report gives assurance that it is striving to attain the UN's quantitative goal for development aid of 0.7 percent of the gross national product by the second half of the 1980s. But the Government is leaving the back door open for itself: the goal will be worked toward "within the framework of economic possibilities."

In the current year's budget of income and expenditures, funds for economic cooperation will rise to 1.1 billion markkas, which corresponds to 0.39 percent of the GNP. Only five industrial countries give less aid than Finland.

As the quantity increases, the Government promises also to improve the quality of development aid. In the final analysis, quality depends on how development aid improves the economic and social situation of the developing country and its population and on how individual aid projects succeed. Several unsuccessful projects have forced the Foreign Ministry's Economic Cooperation Section to intensify planning for development aid.

Finland gives 65 percent of its aid as bilateral assistance directly to the target countries and 35 percent through international organizations and financial institutions. As recently as five years ago the proportion was reversed.

Aid Concentrated

The Government tries to concentrate aid on a few countries and into broad, well planned projects.

Whereas in 1982 there were still development projects underway in more than 50 countries, last year the number of countries had been reduced to 20. There were about 200 individual development projects in 1983.

It is intended that bilateral development cooperation will continue with the same partners. More than half of the bilateral aid is directed to 6 so-called "program" countries; these are: Egypt, Kenya, Zambia, Sri Lanka, Tanzania and Vietnam. Namibia is intended to become a program country when it becomes independent. Of the program countries, only Tanzania is one of the least developed countries or one of the poorest developing countries.

It is intended that the poorest countries' share of bilateral aid will be raised to 30 percent. Special efforts are being made to cooperate with Bangladesh, Ethiopia, Nepal, Somalia and Sudan.

The Government has cooperated on a limited time basis with four countries: Burma, Mozambique, Peru and Nicaragua. The Government announces that it will continue giving aid to these countries. None of the limited time countries belongs to the least developed countries.

Industrial Projects

In selecting areas of activity for bilateral development aid, the Government attempts to harmonize the economic and social needs of the developing countries with Finland's own power resources. Fully half of the bilateral projects are industrial. Areas of activity that have taken shape are agriculture, forestry and forest industry, water and energy management, and communications. The share of education and health care is under 10 percent.

The Foreign Ministry is attempting to shift the accomplishment of individual projects more than before to outsiders: enterprises, organizations, authorities and institutions. The Economic Cooperation Section will be in the future, more than before, a financial institution, with principal responsibility for general planning, project evaluation and control.

UN Organizational and Development Banks

Multilateral aid implements Finland's foreign policy in practice by strengthening the United Nations.

The Government states that it is consciously striving to support UN organizations, but in practice they have received less money than international financial institutions.

In development-financing institutions the contributing countries determine credit policies for invested capital. In UN organizations the member countries decide on activities.

Most of the multilateral development aid has been directed to the international development-financing institutions, the World Bank group--especially to the international development organization IDA--and to regional development banks.

The UN organizations that have received the most support are the United Nations Development Program (UNDP) and the organizations that distribute food assistance, FAO and WFP. The content of Finland's food assistance will be discussed in committee through May.

The social sector, health care and education, has fallen behind in both bilateral and multilateral aid. The Government announces it will increase aid to this sector, especially to the UN children's aid fund UNICEF, which is attempting to raise the level of basic health care in developing countries.

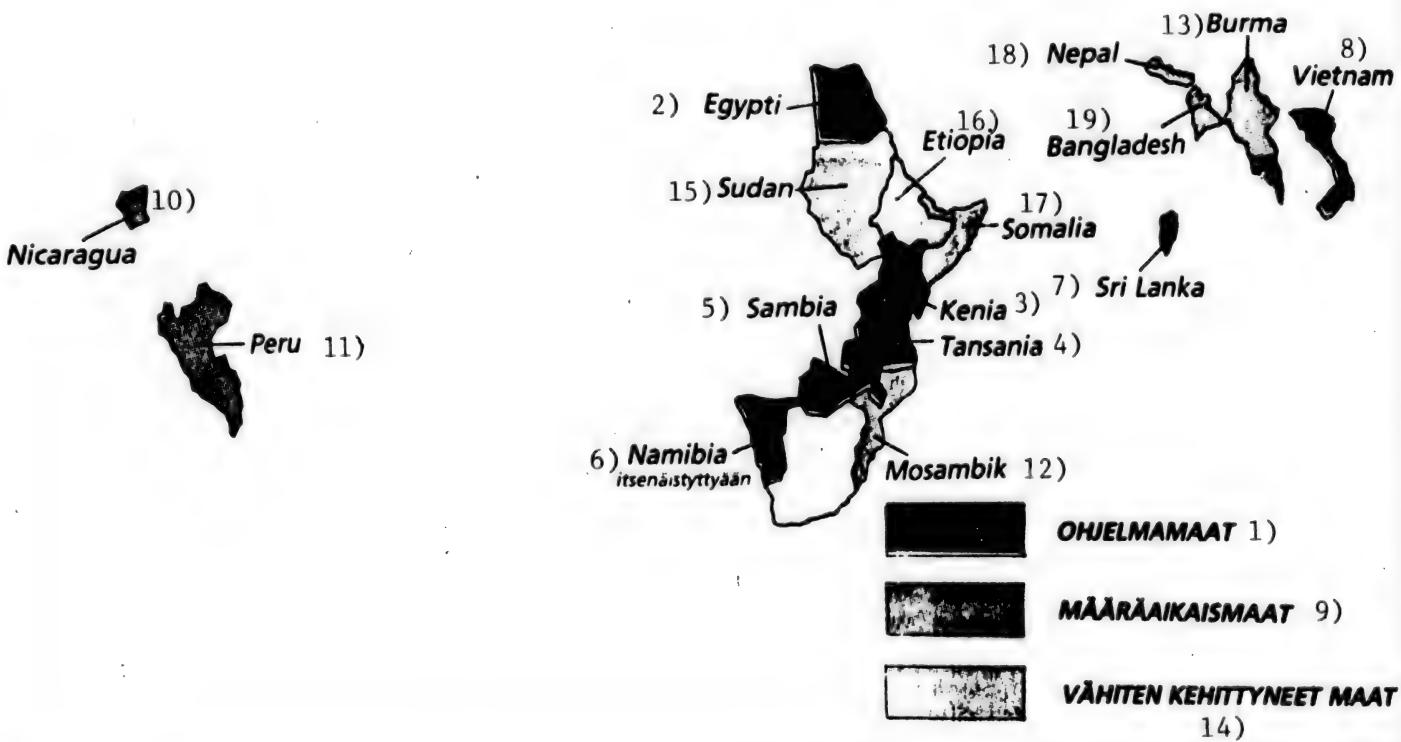
Finland's development aid is not entirely an unselfish activity. In the years 1980-82, 57 percent of the development aid returned to Finland in the form of purchases of goods and services.

The difference between commercial and industrial cooperation has become obscure in recent years, and the Government does not make a distinction between them. The share of commercial elements has grown in recent years: the Fund for Industrial Development Cooperation TEKERA promotes investment by Finnish industry in developing countries, the so-called "ttt" [economic, technical and industrial] money was included in this year's budget, and it is intended that joint funding of projects through commercial credit and development aid will be increased.

The Government also remembers small groups in its report: development group activities by citizens' organizations may be tried already this year, and better times for Finnish developmental research are promised.

[see map next page]

Kehitysavun tärkeimmät kohteet



Waste Charged in Vietnam Project

Helsinki HELSINGIN SANOMAT in Finnish 2 Mar 84 p 12

[Article: "Control Office Criticizes Preparation: Vietnam's Repair Dock Expensive for Finland"]

[Text] The Budget Control Office is criticizing the Foreign Ministry and the Highway and Water Construction Department in regard to preparations for the dock project at Pha Rung, Vietnam. The office has noticed neglect and wrong decisions, and the office called special attention to the dock project's unrealistic budget.

The Pha Rung repair dock was built in Vietnam near Haiphong with development aid funds from Finland. When Finland decided in the 1970s to participate in constructing the dock, Finland's share of the dock's cost was supposed to be 78 million markkas. Now that the dock is finally getting to be nearly ready, Finland has had to contribute more than 180 million markkas to it.

One week ago the Foreign Ministry finally gave 6 million additional markkas to the dock, and there will be a need for about 4 million more. Finland's share was recently estimated at nearly 190 million markkas.

According to the control office, the rise in costs of the dock is due to the fact that Finland has had to invest significantly more goods and personnel in it than agreed on. The construction of the dock has also been delayed by more than two and a half years from the schedule, and Finland has had to pay the costs arising from the delays.

The dock should have been completed in August 1981, but work has lasted until now. The construction work is expected to be concluded in April.

Vietnam Slipped

The construction got off to a weak start, as Vietnam was incapable of taking care of some central preparatory work, equipment deliveries, and tasks that it had agreed to take on. Work got underway only when Finns began to take care of Vietnam's share.

At the same time the nature of Finland's development aid changed: Finland was originally supposed to give experience and technical aid to Vietnam's dock project, but in the end the Finns had to actually construct the dock.

The control office notes in its report that the original budget of 78 million markkas cannot be considered to be based on any realistic accomplishment alternatives. Preparation of the project in the Foreign Ministry has only concentrated on organizing the total funding into the three-year program for the country within the framework of an overall amount.

Risks Not Evaluated

The office thinks that in the ministry costs were minimized so that it would be possible to participate in construction of the dock. No estimate was made of probable expenditure risks and alternatives for accomplishment. The Foreign Ministry should have made alternative calculations based on what the dock would cost with Finnish contributions of various sizes and various schedules.

In the opinion of the control office, the decisionmakers were not given sufficient information as to what was necessary to estimate the total economic impact of the project.

The Development Cooperation Section of the Foreign Ministry should concentrate more than before on tasks of planning and controlling development cooperation, advises the control office.

The control office also called attention to the fact that the construction consultant on the dock received a very advantageous contract, and the TVH [Highway and Water Construction Department] is blamed for that. The consulting contract was made by the TVH in 1979. The consulting firm was originally supposed to take care only of construction consultation, but in the end the consultant also took care of actual construction, obtaining construction works for the dock, and billing the Finnish nation for the cost.

According to the control office, the consultation contract has turned out to be disadvantageous for the state. The TVH should have started to change the contract as soon as it was decided to increase Finnish manpower in Vietnam.

The control office also criticizes the TVH for another contract which it made with the construction consultant. On the basis of this agreement the construction consultant obtained various goods for the dock construction site. The state was billed about 130 markkas per hour for purchasing work.

9611
CSO: 3617/112

UNEMPLOYMENT PROBLEM REMAINS MAJOR THREAT TO SORSA COALITION

Oslo AFTENPOSTEN in Norwegian 29 Feb 84 p 8

Commentary by Morten Fyhn: "Problem for Sorsa" 7

Text Almost 1 year ago, Finnish Social Democratic Party Chairman Kalevi Sorsa formed his fourth government. As is usual in Finland, this was a coalition government consisting of the Center Party and the Swedish People's as well as Sorsa's own party. The election victor, the Finnish Rural Party, was also a member while the Communists were not. After last year's election, the nonsocialist majority continued in the Parliament and there is also a non-socialist majority in the government.

So far, this Finnish government has not distinguished itself by showing negotiating power. Very much of the government efforts have been used for tough negotiations between parties; negotiations that often have resulted in diluted compromises. The dissatisfaction has sometimes been great in some of the parties, especially in the Center Party, and situations have risen that have prompted many observers to start preparing the obituary.

Sorsa himself has, however, said many times that he expects to keep the government together during the whole four year until the next elections. He has repeated this optimism recently in spite of the fact that the government recently has fought harder than usual internally and has been on the verge of dissolution. Just a few days ago, the government survived unscathed its most recent crisis involving economic support to families with children. It is typical for this government that the solution to the conflict came after negotiations between the party secretaries instead of between the ministers. A solution to another conflict in the government about the size of the unemployment insurance seems in general to have been found.

But the Sorsa government is faced with perhaps its greatest challenge so far and that is the general strike that has been called for 6 March. So far, the government has not signaled any will or desire to intervene in order to prevent the strike from starting. But there is every indication that the government will be forced to take some measures as the government's own

evaluation is that the country's economy cannot tolerate such great wage increases as LO [Finnish Federation of Trade Unions] is demanding. In order to reach its goal this year of limiting the inflation to 6 percent, the government will not accept a wage increase above 3 percent. That is approximately in between what LO is demanding and what the employers are offering.

There are, however, people who think it is possible to give LO what it demands as the Finnish economy is currently not that bad at all.

According to the new economic review from the Finance Ministry itself, Finland will have an economic growth of 3.5 percent this year and 3 percent in 1985.

Minister of Finance Ahti Pekkala thinks that the economic upswing that is now taking place will remain at least throughout the first half of the year and that the upswing in Finland is expected to be greater than in most other West European countries. This is based on the fact that Finland is less dependent on development in the United States than the rest of West Europe.

Finland's chance of increasing its export to the West is estimated as quite good, while export to the East will stagnate or perhaps be reduced somewhat. The export increase is expected to be 10 percent and is thought to be especially good for the forest industry. But the Finns do not anticipate these relatively good economic times to continue. The growth rate is expected to be markedly reduced next year and 1986 is expected to be a low economic year even though the growth might perhaps be 2 percent.

Pekkala tries to strengthen the competitiveness of economic life by reducing labor costs. His goal is to get the inflation to 6 percent this year and 5 percent or less next year. Last year the inflation in Finland was 8.6 percent.

But even if production and exports increase and inflation goes down somewhat, it will not help the Finnish unemployment statistics much. Nor is the deficit of 12 billion marks in the Treasury expected to go down. Last year, 156,000 people were unemployed on the average which constituted 6.1 percent of the workforce. The unemployment in Finland is more than 2 percent higher than in Norway and Sweden. The government has no hopes of being able to reduce the unemployment by more than half a percent at most this year.

Despite certain bright spots, the government is, however, not very optimistic about being able to achieve a considerable improvement of Finnish economy. The economic review states that budget expenditures must be cut in order to reduce the dependency on loans. It states that if that is not done, "quite drastic cutbacks in expenditures in the next year's budget must be undertaken."

Thereby the road is paved for new and presumably severe differences in the government. It is not unlikely that the Sorsa government will have a shorter lifespan than what the prime minister indicates. It is perhaps not so surprising that he has warned that he wants to play a less active and central role in Finnish politics after the next elections which will take place in 1987.

COMMUNIST PARTY'S ELECTION SYSTEM REINFORCES INTERNAL SPLIT

Helsinki HUVUDSTADSBLADET in Swedish 18 Mar 84 p 17

[Article by Larserik Haggman: "When the Communists Vote; 23 Congress Representatives Decide Party's Fate"]

[Text] When the members of Finland's Communist Party [FKP] in the next few days will elect representatives to its 20th party congress, it is already clear that the majority will have 196 delegates and the minority 151.

Instead, the interest is focused on how the election will turn out in nine of the majority's districts.

If 23 of these delegates are faithful to their party chairman, this will mean a different FKP than if only 22 such persons are elected.

The election system of the Communist Party is special and gives the districts extraordinarily great influence. The individual sections first nominate candidates among their own members. After that, the district committee makes up its list from these nominations. At this stage a number of candidates often renounce their candidacy unless they are among those on the district list.

After that, ballots are printed containing all the names of nominated candidates. The district can place the candidates in alphabetical order or in chronological order or follow some other principle. However, it is most common that the district list is placed first and after it the other candidates who are put up.

Maintains Pro Rata Distribution

This system is exactly what has made it easier to keep the pro rata distribution within the party. The majority has been able to retain the positions in its nine districts and the minority in its eight.

In this connection much has been said about the fact that most of those who participate in the election of representatives automatically vote for the district committee lists. In practice, about one-third is likely to employ the so-called ruler practice--that is to say draw a line in front of the proposed names instead of making a cross for each entry. Since the

distribution of votes among the others is great, however, the result is clearly affected.

When counting the votes, a simple majority practice is used. If the district has 40 representatives, the 40 who received the most votes are elected. Each party member votes for 40 delegates.

Majority Split

Furthermore, since the votes are counted serially, that is to say after every voting opportunity arranged by the sections, this leaves room for far-reaching maneuvering. In view of this year's party congress both sides seem to have attached decisive significance to the placement of the candidates. This is because of the political situation within the FKP.

The background for this can largely be found in the fact that the majority, which has long controlled the party when it comes to practical politics, is having obvious difficulties staying together. The numerical influence of the so-called axe line has grown, but at the same time a trend toward cooperation across party lines has gained ground in the parliamentary group, the trade union movement and in a number of organizations close to the FKP.

In his statements the leader of the so-called axe line, Arvo Kemppainen, has set his sights on completely erasing the representation of the minority in the party organs. In certain areas people have gone even further and are advocating the expulsions of sections and persons in Lapland as something the whole party should emulate.

The present general secretary Arvo Aalto seems to proceed along a more tactical line. He is also endeavoring to end the influence of the minority, but he is evidently careful not to take measures which might immediately result in a division of the party. In so doing he also appears to be trying to construct a political course and a number of proposals for decisions which could rally the splintered majority and unite it against the minority.

Saarinen on a New Course

Former chairman Aarne Saarinen has changed course noticeably since he left his leadership position. When previously he even allowed himself to be elected chairman with the support of the minority and a minority of the minority, he is today among those who most forcefully argue in favor of pure majority rule.

His old support troops within the party today seem to lack a clear leadership figure. Some, just as Saarinen, have been attracted to the so-called axe line and want to make a clean sweep, while others try to do everything in order to rally the party around formal unity, at least.

This latter group appears to stand quite close to new party chairman Jouko Kajanoja, although they could scarcely be described as typical representatives of the third line he is said to be trying to build.

Extensive Trimming

The representatives of the third line and Saarinen's old support troops seem to be those who are viewed with the least favor before the present voting. A whole series of persons of these categories have been prevented from being candidates in the representative election. Among the most well-known names is former politbureau member Anna-Liisa Hyvonen, who before the last congress received the most votes in Helsinki, as well as former organization secretary, presently SFS [Swedish-Finnish Society?] secretary Erkki Kivimaki and the party's former ideological leader Erkki Rautee. All three lost the nomination vote in their sections to representatives of the so-called axe line.

Similar examples can be found within almost all districts. Nearly all who hesitate on the pro rata question have been viewed with disfavor.

Despite this it is quite obvious that the "trimming maneuvers" have not succeeded completely, which is why the representative election could still have a different outcome.

Quite Homogeneous Minority

Within the eight minority districts--Uusimaa, Turku, Tampere, Kuopio, North Karelia, South Karelia, Kymi, as well as Lahti--the results seem to be quite clear, although in Tampere a certain amount of ferment has been reported and some propaganda is made for a "softer list." In Uusimaa district secretary Markus Kainulainen, who is considered most hard-line among the minority leaders, has not trimmed the list entirely of "softies." Thus, Member of Parliament Marja-Liisa Salminen is found among the candidates of the district.

The final result in these eight districts is expected to be clear-cut and all indications are that the minority at least outwardly and in relation to the majority will be able to act in unison with the party congress. This means 151 delegates.

Lapland, Helsinki Completed

On the majority side the situation looks different. Primarily the large districts of Lapland and Helsinki appear to be quite homogeneous and are totally dominated by the so-called axe line. However, minimal chances for election are given to Member of Parliament Pirkko Turpeinen, who represents the third line in Helsinki, and perhaps some other representative, also from the capital. In Lapland several representatives have either refrained from being candidates or are absent from the district list.

The Vaasa and Pietarsaari districts seem quite clean, also as far as the candidate list is concerned. Party chairman Kajanoja has previously been able to count on great sympathies in Pietarsaari, but for this representative election his supporters are missing from the district list.

Kajanoja's other district, in southern Savolax, is now also likely to back the so-called axe line quite unanimously, as is central Finland, since Member of Parliament Inger Hirvela after the discussion declined to be a candidate.

Three Divided Districts

The three remaining districts are bigger question marks. Arvo Kemppainen's own district, Kainuu, is more or less divided in two and a conflict has sprung up between Kemppainen who is the chairman and district secretary Reino Leinonen. The same situation prevails in Oulu, despite the fact that the former district chairman of the parliamentary group, Helvi Niskanen, is not a candidate. Satakunda, finally, shows similar tendencies.

Against this background it seems quite obvious that the representative elections in Oulu, Kainuu and Satakunda this time will be especially significant in view not only of the party congress but also of the party's future.

Final Decision

Before the congress Jouko Kajanoja, who nowadays lacks the chance to receive support from a unanimous majority, stressed that it is now a matter of a more or less final decision. At the most recent Central Committee meeting he saw only two possibilities: new rallying around a joint cooperation line or an extremely tough internal fight with a probable split as a result.

In practice, however, the situation is likely to revolve around how many among the majority delegates refuse to support the policies of the so-called axe line. Kajanoja and his line is expected to receive the backing of the minority, whose tactics seem to be to wait out the others, but beyond that he needs at least 23 majority delegates in order to be able to continue.

Aalto Likely Rival Candidate

No clear-cut rival candidates to Kajanoja have been launched, but the public opinion seems to consider Aalto the most probable alternative, although in the future his position might be just as strong on the post of general secretary, with for example former group chairman Jarmo Wahlstrom as chairman.

The choice of Aalto or Wahlstrom or someone similar would require that at least 174 majority delegates can agree. Therefore, this is what the fight is all about in the FKP field.

Newspaper Question

What facilitates Aalto's situation and makes Kajanoja's more difficult is the constantly recurring newspaper question which up to last fall was the only issue which clearly united the majority. However, the Central Committee was able to make a decision which in the long run would lead to a merger between the minority's TIEDONTAJA and the new weekly YHTEISTYO. At the same time a

reorganization of the editorial policy would take place within the other People's Democratic papers.

The question was to have been decided at the Central Committee meeting in February, but one failed to do so and the matter was tabled until the April meeting. Since the conflicts within the party during the winter have clearly come to a head precisely in the newspaper columns, a solution still seems very distant. In case Kajanoja should succeed with this in April or before the congress, most people appear to believe that his reelection is assured. However, most people doubt that and in some areas opinions are being heard that his course is wrong. First, unity at the congress should be reinforced and that unity lead to a solution of the newspaper question.

Either or....

It is quite obvious, however, that what is now happening in the FKP will determine the party's future to a large extent. Either the majority will clean out the minority or else Jouko Kajanoja will have continue his attempts to create a new unity, apparently with a clear transition from the FKP to the DFFF [Finnish People's Democratic League] as a result of large portions of the representatives of the axe line. This in turn could lead to future problems between the organisations, but just where the problems will be, that seems to be decided by 23 majority delegates.

11949
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OPERATION, MEMBERSHIP OF CHIRAC'S 'SHADOW CABINET'

Paris LE MONDE in French 19-20 Feb 84 p 9

[Article by Andre Passeron]

[Text] Describing Jacques Chirac's entourage demands a broad palette of nuances. Speaking of his associates forces us to respect a certain order, but one which follows neither the rules of specialized areas of responsibility nor the rules of protocol. Just as around the RPR [Rally for the Republic] president there has formed a sort of galaxy of miscellaneous political groups (see LE MONDE of 8 November 1983) so too among the people surrounding him a unique organizational system has little by little come to exist. This organizational structure is not based on any known geometric pattern. It is not a matter of concentric circles, nor is it a matter of what are called vertical or horizontal relations, to use the terminology in vogue for preparing organization charts.

The mayor of Paris entered politics in 1967 after the classic preparation--School of Political Science, ENA [National School of Administration], and then the Court of Accounts. In less than 2 decades he has been involved in all facets of public life. While in this sort of nonstop activity a person does become well known, he also meets a great many people and can pick up acquaintances, friendships, and strong support. In ministerial cabinets, first as a minister, and then as prime minister, at the Palais-Bourbon [National Assembly], or at the head of the general council of the Correze department until 1977, as the head of the RPR and in the mayor's office in Paris, Mr Chirac has had a great many opportunities to "fish in a variety of ponds" and to test a great many talents. However, this close contact with people whose characters are sometimes prickly, who sometimes have clashing temperaments, and who are often highly sensitive, has not always gone smoothly.

Between 1976 and 1978, after the formation of the RPR, some rivalries began to appear within Mr Chirac's entourage, between politicians and technicians, between consultants and advisers, between confidants and sources of inspiration. Many psychodramas took place which led to breaks with the RPR, as happened with Jerome Monod, secretary general of the movement, and Yves Guena, political adviser; to voluntary and discreet resignations, as in the case of Charles Pasqua; and also to separations, such as those of Marie-France Garaud and Pierre Juillet in June 1979. Jacques Chirac, who had until then been swept along in the perpetual whirlwind of election campaigns, came to realize that he might be handicapped by having two major advisers, both difficult and exclusive people. Such a situation might lead people to believe that he was "under their influence." The crisis of confidence between the RPR president and Ms Garaud and Mr Juillet, which began at the time of the Cochin appeal in December 1978 and continued with the bizarre invention of the "tourniquet" for the European elections in 1979, reached its end right before that election.

A Sort of Network

Since that time, Mr Chirac has totally revamped his relations with his entourage. Chirac's relations with his advisers follow complex but unwritten rules, and he alone is the only one who truly knows how these rules work. Many of his "collaborators" don't know each other, and have no connection with each other. It may even happen that they meet in either professional or social life, and not know that in reality they are serving the same man. The people who make up this sort of network are thus acting with the most absolute discretion, or actually secrecy, and their contributions are there to be called upon as needed.

A certain number of high-level officials, members of major government bodies, such as the Inspection of Finance, the Court of Accounts, and above all, the Council of State, spend their leisure hours drafting notes which will be used for the personal information of the mayor of Paris, or memos which on occasion will provide ideas or even entire paragraphs for speeches given by Mr Chirac. In the top ranks of the ministries, a certain number of officials who loyally serve the present authorities during the day spend their evenings working for the opposition leader. This custom is actually a tradition among the upper echelons of the civil service--for government employees are still citizens--and the left, when it was the opposition, made great use of this practice. The methods for preparing for a change in government administrations are truly

unchanging, since they have now been so well tested! Today we are finding that government officials who after 1981 were helping Raymond Barre are now making a fairly strong comeback toward Jacques Chirac.

The mayor of Paris has also found a devoted following within the management of businesses nationalized by the new political majority. In addition, in the world of large private corporations--except for the official leadership of the CNPF [National Council of French Employers]--people are no longer reluctant to cooperate with him.

A Troika

But while there is no longer a "shadow cabinet" surrounding Mr Chirac, some people are paid more attention to than others, enjoy a more complete degree of confidence, and express more representative views than others. A sort of informal "troika" has grown up around Chirac.

As early as 1966, Edouard Balladur, an ENA graduate, "maitre de requetes" at the Council of State, became a close colleague of Georges Pompidou at the Hotel Matignon before becoming secretary general of the Elysee Palace during Pompidou's unfinished term as president. During that entire period he was constantly in touch with the man viewed as the former chief of state's "trainee" or heir apparent. As pleasant and smiling as he is discreet and persuasive, Mr Balladur is considered to be the originator of Georges Pompidou's social policy at the time of the Grenelle agreements in 1968, and also the author of profit-sharing and monthly salary scale plans. His range of interests has further expanded since that time. He is allegedly connected with Chirac's evolution in favor of more European positions than those held by the RPR in 1979. In addition, his advocacy of a possible form of coexistence between the present chief of state and an opposition parliamentary majority (see LE MONDE of 16 September 1983) seems to have convinced the mayor of Paris. And in general, Mr Balladur is not reluctant to express his views about general matters related to political strategy.

Just as discreet and listened to just as much are two of Chirac's "buddies," both ENA men like Chirac himself. These men at different times both served as head of his staff. They are: Jacques Friedmann, a fellow student along with Chirac at the Lycee Carnot, then at the ENA. He is a still loyal childhood friend. An inspector general of finance, he was Chirac's staff director from 1969 to 1971 at the secretariat of state for finance and at the ministry of relations with parliament before

becoming Chirac's representative at the Hotel Matignon in 1974, where his role as a personal and political adviser, as a source of inspiration and as a confidant, continued when he became--until May 1982--chief executive officer of the state group, the General Maritime and Financial Company (formerly TRANSAT).

The other friend, Jerome Monod, is 2 years older than Jacques Chirac. He is also a member of the Court of Accounts, and he was Chirac's staff director at the Hotel Matignon in 1975. Before that he was a member of various ministry staffs and he took a great interest in matters of territorial development and regional action--he was for some time on assignment to DATAR [Delegation for Territorial Development and Regional Action]. Since 1980 he has been president of the Lyon Water Company. But before leaving the government and becoming the head of a large private company, Jerome Monod made a serious incursion into the world of politics. He is the man of whom Robert Poujade, the first minister of the environment in France, said: "He is the most powerful and the most competent of all the ministers." He was in fact valued for his stubborn but somewhat secretive nature, for his pragmatic but slightly cold, pleasant but somewhat mistrustful character. His qualities as an effective organizer, his clear-sighted support, and his total frankness led Mr Chirac to appoint him secretary general of the party he had just founded, the RPR, in December 1976. He organized--on the 17th floor of the Montparnasse Tower--Chirac's new party, with a precision and efficiency unknown until then in the world of politics. This technocrat even got caught up in the game of public meetings, of lengthy discussions with party activists, of sectional quarrels and of candidate selections. However, he refused to make deals and, tired of vain struggles for influence against hidden advisers, he left the RPR after the legislative elections of March 1978, along with a few other people, such as Anne-Marie Dupuy, a former staff director for Georges Pompidou, who is today a member of the Council of State and the mayor of Cannes. But in both of these cases, their departure was primarily motivated by the respect and friendship they felt for Jacques Chirac, and today, they are among the most devoted and most constant consultants of the mayor of Paris.

To these old friends from the Pompidou era, we should add one of the closest colleagues of the mayor of Paris, Denis Baudouin, who since 1977 has worked as the director general of information and of external relations for the city of Paris. He also worked for Pompidou at the Elysee, as head of his press staff. There his feeling for contacts, his availability, his understanding, and his gift for nuances won him high marks from the reporters assigned to cover the Elysee. But still, this former deputy

secretary general of the democratic center, this former close colleague of Jacques Duhamel, had some difficulty in winning acceptance from some Gaullists who were strict adherents to the orthodox party line. Today this transplant has taken so well that he will be in an eligible position among the RPR members for the opposition's union slate in the European elections. Mr Chirac, in a rare show of confidence, did make him promise to continue his friendly cooperation. For, as a knowledgeable man in the political world, with his memory enriched by experience, Denis Baudouin never hesitates to step calmly into the Chiracist whirlwind in order to put things back in their proper place.

Experts at the Mayor's Office

Robert Pandraud is another member of Chirac's circle, operating on a different level, but surely playing a more important role than would be suggested by his official title as staff director for the mayor of Paris. This ENA graduate, who has spent his entire career in the ministry of the interior, from March to May 1974 served as deputy staff director for Mr Chirac when he was briefly minister of the interior before Georges Pompidou's death. He then became staff director for Mr Poniatowski at the Place Beauvau, later served as director general of the national police, and finally, as director general of administration. He returned to work for the mayor of Paris in 1982. His in-depth knowledge of administration and of the police, and his many connections there have given him a flattering--or disturbing--reputation with the political majority, a reputation which he naturally dismisses as quite unfounded. Surrounding him is a team of high-level officials who, during the course of their careers, have been in close contact with politics. They form a sort of college of experts, and include such people as Jean Colonna, a specialist in election sciences, and Camille Cabana, who is in charge of 40,000 Paris government employees.

More responsible for Paris politics and relations with the various parties are two elected officials whose loyalty to Chirac has been tested and proven. They are: Jean Tiberi, deputy and mayor of the fifth district (from which Chirac is also the elected representative) and first deputy to the mayor of Paris with a general responsibility for coordination; and Roger Romani, treasurer of the city, president of the Chiracist group of Paris, and senator from the capital. This duo provides the mayor with a reliable early warning system for everything going on in the world of city politics, and also forms what some people have nicknamed his "Corsican antenna."

A special place has to be reserved for Alain Juppe, elected from the 18th district of Paris in 1983, second deputy to the mayor, who is responsible for budgetary and financial affairs for the city of Paris. This 39-year-old inspector of finance, a graduate of the Advanced Teacher Training School and of the ENA, who has a degree in classic literature, attached his fate to Chirac in 1976. He has become a well known specialist on the economy, which has made him the RPR leader's economic expert. But as co-director, along with Michel Aurillac, member of the Council of State and former deputy from the Indre department, of the "Club 89," he is also involved in the propagation of "Chiracism" within the leading circles of the administration and in business, and he has recruited from those ranks a great deal of well-intentioned assistance.

The two leaders of the Club want to make use of this "think tank" to develop solidly prepared proposals to be used by Chirac, as was the case with denationalizations, European defense, or taxation. There again the opposition is getting ready to take over the reins.

New Comrades

It is often difficult and always artificial to attribute to these advisers their own clearly defined spheres of action, for Mr Chirac makes use of their contributions sometimes for Paris issues, sometimes for partisan activities, and sometimes for national action, without there necessarily being any airtight boundaries separating these different areas.

Some people, though, are in more direct contact with the RPR. This is naturally the case with Bernard Pons--he too was a member of the Pompidou team--who has held the post of secretary general of the movement since 1979. He has served as spokesperson both for the RPR and for its president, and has been given responsibility for maintaining party unity during all the upheavals it has experienced: the European elections of 1979 and the presidential and legislative elections of 1981. Always optimistic and dynamic in public, Mr Pons hides none of the RPR's difficulties from Mr Chirac. However, the leader of the party now gives him more responsibility than in the past for the handling of everyday matters. In this he is aided not only by the apparatus of the entire movement, whose Paris headquarters have been reinforced by some additional administrative employees, but also by Jacques Chartron, former regional prefect. An expert on the nation's political map, since 1981 he has been national secretary of the movement with responsibility for elections.

Mr Koscziusko-Morizet, former ambassador of France to Washington, is now a polished diplomatic adviser. Then there is Charles Pasqua, who was attacked as the evil spirit behind all of the deeds attributed to the RPR and to the Gaullists in general. Charles Pasqua--who has his own network and who says he "does not follow Mr Chirac's orders"--today seems to be content with his honorable position as president of the RPR group in the senate, a post he has held since 1981. Once the organizer of vast propaganda campaigns, of large popular meetings, and the wily creator of some skillful propaganda operations, he now seems to be working toward a single goal: to make the senate RPR group after the 1986 elections the largest majority group in the upper house, that is, the largest of the national opposition. Already in the 1983 elections, his success in winning 12 seats (making a total of 58 seats) greatly impressed Mr Chirac, since the Gaullists, ever since the start, had never had so many senators. His loyalty to Jacques Chirac has remained steadfast despite all the storms the RPR has been through, and at the cost of some voluntary sacrifices, he has managed to stay close to the mayor of Paris. But just as his activities used to be splashy and attention-getting, today they are discreet and cloaked in modesty. Now the two men have enough mutual confidence in each other that we can be certain that their ties will remain strong.

If we add to this the many contacts Mr Chirac has in the most diverse circles, and the monthly dinners to which he invites young RPR mayors and deputies, we can better grasp the wide-ranging nature of his many connections.

Such is the "shadow cabinet" that has grown up around the former presidential candidate. This cabinet, even before emerging from the shadows, is already functioning as a complex and autonomous machine.

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CHIRAC EXAMINES EUROPEAN, NATIONAL INDEPENDENCE ISSUES

Paris LA LETTRE DE LA NATION in French 5 Mar 84 pp 1-2

[Article: "Jacques Chirac: 'Build Europe and Safeguard National Independence'"]

[Text] The Gaullist movement has always been inspired with the idea of "building Europe while safeguarding our national independence." Jacques Chirac strongly reaffirmed this Saturday in closing the extraordinary party congress which had earlier elected the RPR's [Rally for the Republic] 33 members of the combined opposition list of candidates for the European parliamentary elections. The congress also adopted two motions introduced by Bernard Pons. We shall publish the text of both motions in tomorrow's edition. One of these motions has to do with the situation in Mayotte. The other established a working group to determine exactly how the combined list of candidates will be presented at the European elections.

Jacques Chirac reminded the congress of the reasons that had prompted the RPR to propose establishment of an opposition list.

a. Opposition parties will thereby inspire "great faith in their ability to create the conditions for replacing the present government and opening the way to a better future for France."

b. The parties "agree on the prime importance of building Europe and on the main objectives to be achieved." These objectives were defined by the RPR Central Committee on 12 June 1983.

Chirac explained that there is "no antinomy" between the two requirements of building a more united Europe and safeguarding national independence "for the very simple reason that one of the attributes of the independence of nations is precisely to accept obligations formally assumed with one another... The word 'freely' implies that all concerned agree on the essentials, a practice to which other member countries are actually as attached as we ourselves are." It is difficult to see how any conflicting views about this paramount requirement could possibly be voiced among the opposition.

What is the current status of the effort to build Europe? "Worrisome" to say the least. Jacques Chirac said that the serious misgivings he had expressed at the 12 June 1983 meeting of the central committee have been largely justified

by subsequent events. The French Government--which currently holds the presidency of the [EC] Council of Ministers--is endeavoring by methods--that lend themselves to divergent appreciation--to stave off disaster by putting together the elements of an overall compromise covering all of the contentious issues under discussion. In the present state of affairs, Jacques Chirac is being very careful not to make any prognosis as to the outcome of the current negotiations. The RPR is fully prepared to discuss its 12 June proposals with its UDF [Union for French Democracy] partners and attentively hear their suggestions. Jacques Chirac even deemed it "highly desirable" to make this exchange of views a continuous practice after the elections.

Concerns

Jacques Chirac said that the "tribulations of the [EEC] common agricultural policy remain foremost among our concerns." He wondered about the agricultural reforms being prepared, the financial resources, the inadequacies of the community preferential (differential) duty, the dismantling of the monetary compensatory amounts system, the entry of Portugal and Spain, and the price levels for the next [farm] year. These questions, in which anxiety is mixed with uncertainty, affect the future of French agriculture as well as Europe's future of which the common agricultural policy is one of the two pillars, the other being the customs union. Another matter of concern is the extension not only of trade relations but also of industrial and technological relations to all industrialized nations. Not a week passes without a European firm concluding an agreement with an American, Japanese, or Canadian company.

Jacques Chirac argued that "the emergence of a specifically European centralized industrial and technological base is thereby singularly compromised and Europe runs a great risk of muffing its chance of asserting its identity, and this despite its immense capabilities in this field which governs its future. If we want our industries and research laboratories to take the European way, we have to provide them with the necessary incentives and stimulation in the form of tax advantages, low-interest loans, or investment facilities that imply liberalization of capital movements. These are all tasks incumbent upon the European Community's member states and institutions. There is no more urgent priority than this one."

Defense and Political Cooperation

And what about political cooperation? Jacques Chirac replied that "this cooperation has not freed itself of the routinism and academicism in dealing, for example, with events in the Middle East that are of very direct concern to Europe." In referring to the RPR's proposals, Jacques Chirac denounced, in passing, the draft treaty approved on 14 February by the European parliament. He called it "completely unrealistic and totally at variance with our principles."

"As for defense, much remains to be done," he explained, "to get the nations of Western Europe to participate jointly and more effectively in their own security. The strengthening of American defense forces and weapons on our

continent, as desirable as it may be, should be accompanied by increased effort on the part of West European countries if the latter do not want to appear as a stake in the superpower rivalry." Pointing to the resultant danger of producing a feeling of passivity and subjection among the general public, Jacques Chirac said: "It is good to be defended. It is even better, however, to defend oneself."

Another matter of concern: a certain discrepancy in the division of responsibilities between the European Council and the European Community's Council of Ministers. "This is not a minor matter," Chirac said: "The community has acquired the habit of referring to the European Council--which meets three times a year at chiefs of state and heads of government level--all sorts of questions that normally ought to be resolved at the ministers' level. The result is delays and logjams that are especially detrimental to the smooth conduct of business in that they are inevitably accompanied by a deplorable tendency to lump all contentious issues. In my view, it is essential, therefore, that the Council of Ministers regain the fullness of its jurisdiction and powers. The European Council would, as initially planned, be responsible for establishing major guidelines for the construction of Europe, particularly those pertaining to political cooperation. Moreover, it would be well to provide the council with a permanent secretariat to assist it in this task."

Vigor and Determination

Refraining from making any excessive promises, Jacques Chirac declared: "We enthusiastically say 'yes' to Europe, but not to just any kind of Europe. By demonstrating our seriousness and realism, we will be able to better convince others of this. The loyalty we are determined to show toward our partners on the opposition list of candidates must not dissuade us from asserting our individuality. Union does not imply self-effacement. 'Remain what we are' must be our watchword."

France's current situation constitutes a serious obstacle for Europe. In fact, our partners are more than wary of the coalition which governs us and which, after having ruined our currency, is now openly attacking freedoms they, our partners, consider fundamental. "In behalf of what," Jacques Chirac asked, "would Europe feel called upon to come together, if not in behalf of the defense of freedom, all freedoms? What authority can be invoked by a government that intends to substitute sectarianism and arbitrariness for those freedoms?"

The RPR will not let itself become resigned and discouraged. It will continue to campaign with vigor and determination. "We must regain public support for this great cause of building Europe, and of thereby building our future and our children's future." Jacques Chirac ended his remarks with an appeal to French youth: "You should be proud to be Frenchmen and Europeans because you have so much left to do. It is up to you to rouse France from the bad dream into which ideologies of decline have lulled it, and set it on the road to progress, security, freedom, and a new humanism commensurate with our European heritage.

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LIBERAL DAILY PESSIMISTIC ON KISSINGER'S NATO 'RECIPE'

Stockholm DAGENS NYHETER in Swedish 12 Mar 84 p 2

[Editorial by Olof Santesson: "Kissinger's NATO Prescription"]

[Text] Less reliance on nuclear weapons requires a greater concentration on conventional weapons! That has long been said about NATO's defenses--as though it were an obvious fact. But that is not the same as saying that such a conclusion is indeed obvious.

There are actually two questions. How should a divided Western alliance deal with that portion of public opinion that is turning against nuclear deterrence? How should it deal with the Soviet Union's superiority in conventional weapons? There is currently a tendency within NATO to rely on "new technology" as a way of improving the possibilities for preventing a possible Soviet assault without using NATO's own nuclear weapons at an early stage. It is a controversial tendency.

In this situation, Henry Kissinger has come up with another prescription. He says that by 1990, West Europe should assume chief responsibility for NATO's conventional ground forces. The post of supreme allied commander in Europe, which until now has been held by an American, should be taken over by a European. In return, an American would become NATO's secretary general, a post traditionally held by a European. Kissinger is also proposing that the Europeans take charge of the disarmament talks concerned with nuclear-armed intermediate-range missiles and the Vienna negotiations on troop reductions.

His proposal is interesting because it is being made precisely at this moment--and precisely by Kissinger. He usually has a feel for when a foreign policy issue is beginning to turn "ripe," and as a matter of fact, he has suddenly started to be discussed as a possible successor to Secretary of State George Shultz if President Reagan is reelected. What he is saying is not remarkably new, but even so, there is obvious surprise and shock in European NATO capitals.

The reaction may seem unexpectedly violent, especially since the Europeans themselves have started raising the issue of new forms of cooperation. On France's initiative, Great Britain, the FRG, Italy, the Benelux countries, and France itself have agreed to hold special meetings on security policy without U.S. participation. The first meeting will be held in May.

In the 1950's, the same countries made an unsuccessful attempt to establish the West European Union within the framework of the Western alliance. Their current attempt obviously expresses the yearning for an identity of their own in security policy matters and one having equal standing with that of the United States. Entwined in that yearning, naturally, is dissatisfaction with the shape of their current dependence on U.S. leadership.

From a historical point of view, the increased criticism primarily of traditional nuclear deterrence is a little ironic. For a long time, the FRG wanted to maximize the probability of nuclear war as a way of reducing the danger of a conventional war! Kissinger points out that the United States wanted to keep its conventional forces in the FRG at a low level for a special reason: it did not want to tempt the Soviet Union into conventional aggression by the slightest hint that NATO could defend itself by nonnuclear means.

A paradox here is that France, the country responsible for this new initiative, is continuing to build up its nuclear arsenal. Great Britain, with the emphasis by its Tories on new nuclear weapons, at least has a debate underway among old military leaders who have strongly challenged the dependence on nuclear weapons.

The muddy situation in the debate at the highest political level is perhaps one reason for the general alarm at Kissinger's interference. Another reason is presumably the fact that he is an American. There is fear that sooner or later, any moves from that direction will lead to alarming changes over which the Europeans themselves will have little control. From an objective point of view, there are also other reasons to scrutinize Kissinger's ideas. For example, would the West Europeans really be able to negotiate concerning existing U.S. intermediate-range missiles?

Kissinger's purpose is to force the governments in the Western alliance to give their people a "convincing vision of a new future" in which the Soviet Union would be seen as an "intractable" danger to peace. In that way, not only neutralists and pacifists, but also "new isolationists," could be restrained!

The prescription therefore calls for a continuing arms buildup. But at some point, even people like Kissinger ought to ask themselves whether it is not enough for the West to have sufficient conventional defenses to make a Soviet attack an uncertain undertaking. Read, for example, the annual "bible" published by the London International Institute for Strategic Studies. All indications are that militarily, NATO does have such a minimum force. Unfortunately, it is not good form politically to admit it.

Psychologically, things are at a standstill. So we will unfortunately have to listen to many demands for an increase in conventional weapons--and face a great deal of alarm if the buildup does not occur.

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POLITICAL PARTIES' YOUTH ORGANIZATIONS IN GENERATION CHANGE

Stockholm DAGENS NYHETER in Swedish 13 Mar 84 p 6

[Article by Ake Ekdahl]

[Text] Yngve Sunesson, chairman of the Center Party Youth Association [CUF], is going to resign this summer. This means that the leaders of three of the youth associations have asked to be replaced as chairmen this year.

Jan Nygren, chairman of the Social Democratic Youth Association [SSU], had announced earlier that he does not want to be reelected at the SSU Congress on 10 June.

The election committee has now recommended unanimously that Member of Parliament Anna Lindh, 27, of Uppsala, be nominated as the new chairwoman by the nominating committee that will be appointed by the congress.

Gunnar Hokmark, who has been chairman of the Conservative Party Youth Association [MUF] for 5 years, has also asked to be relieved of his post. He has informed Per Stenmarck, chairman of the election committee, that the workload is becoming too heavy now that he is combining his MUF job with his duties as a member of Parliament.

Next in Line

Hokmark has been chairman for 5 years. He is 31 years old and has headed the MUF for an unusually long time.

Next in line to succeed Hokmark when he finally steps down is Mikael Odenberg, currently first deputy chairman. He is the same age as Hokmark. But there is an interest in having a woman in that post, and in that case, the prospects would be good for Beatrice Ask of Sveg, who is currently second deputy chairwoman.

It has become popular to have women heading the party youth associations.

The Liberal Party Youth Association (FPU) recently elected a woman to the job for the second time (Maria Leissner). The previous FPU chairwoman was Bonnie Bernstrom.

A woman is also in the running in the CUF. She is Ingrid Carlsson, currently second deputy chairwoman of the CUF. First deputy chairman Andreas Carlgren was already a strong candidate when Yngve Sunesson was elected 3 years ago.

The CUF will elect a new chairperson at its meeting in Umea in the third week of June.

"Then I'll go out and look for a new job," says Sunesson, the outgoing chairman.

Sunesson is an economist, but he has never seriously tried his hand at any kind of professional life outside of party work. He will be 30 years old this year, and he has been a political pro since his school days.

"These have been 3 tough years, with rotten finances and declining membership figures," says Sunesson.

Headline Maker

When he hands the gavel over to the CUF's next boss this year, things will look a little better. Finances have been straightened out following personnel cutbacks in the organization, and the membership curve has turned around.

Yngve Sunesson made headlines immediately after he took over as chairman, when he publicly complained about Per Gahrton, who, according to Sunesson, was making a big show of being able to stay sober for a whole year.

"I didn't know at the time how serious things were with Gahrton," says Sunesson, who seems to feel somewhat remorseful now that it is over.

But otherwise, Sunesson has not made a name for himself in the newspapers in the same way that Anders Ljunggren, his predecessor, did. Those who have found fault with the CUF's leadership say that the youth association has become too mediocre and obedient to the party.

Eternal Problem

Independence from the parent party is the eternal problem in all political youth associations.

What benefits the youth movement most in the long run: to concentrate on youth issues or to engage in politics all down the line as a junior appendix to the party line?

"It is impossible to choose between the two," says Sunesson. "We must represent young people both for and against the party. Many universal issues also apply to young people."

As CUF chairman, Sunesson has occasionally had a falling out with party chairman Thorbjorn Falldin over issues affecting young people and relations with the Social Democrats.

FPU Critical

Maria Leissner of the Liberal Party Youth Association has displayed new independence with respect to the party leadership. The FPU was critical of Bengt Westerberg's election as party leader. It was recommending Bjorn Molin instead.

The FPU stood loyally behind the new party chairman after the election, but on economic issues in the social area, the gap between the FPU and the party has widened. Maria Leissner made a sharp attack on Westerberg as recently as Monday.

In an interview with the TT [PRESS WIRE SERVICE, INC.], she said it had become increasingly difficult within the party to push demands for economic democracy. One of the first steps should be to increase employee representation on company boards of directors.

The party program states that labor and capital should have equal standing, but the FPU chairwoman is afraid that that plank is going to be toned down and made more vague at this fall's national congress.

Hard To Gain a Hearing

Leissner feels that it is difficult to gain a hearing for young people's issues in the Liberal Party.

"We treat young people as a package. They never get to do anything on their own responsibility," she said, and she urged Westerberg to become more involved in those issues.

One of her specific proposals is for an agreement across party boundaries to eliminate social security contributions for those under 25 years of age. She considers that an issue on which the Liberal Party can take the initiative.

Stubborn Battle

The battle for young voters is tough and stubborn. The SSU is the largest youth association with 45,000 members. But that is the lowest figure in decades. The SSU has lost 20,000 members in just a couple of years.

Next largest is the CUF with 37,000 members. The CUF is only half as large as it was during the palmy days of the early 1970's, but a recovery has now begun.

The MUF has 30,000 members and has hovered around that figure for the past 10 years. Its membership growth has not been as steady as the party's successes in recent years. The MUF reached a peak in 1979 with nearly 32,000 members.

The FPU currently has 12,000 members and has declined substantially in recent years. Considerably larger is the KU [Communist Youth], the youth association of the Left Party-Communists, which has 20,000 members.

11798
CSO: 3650/148

BASQUE PAPER ATTACKS ANKARA'S 'MINORITY REPRESSION'

Guipuzcoa EGIN in Spanish 7 Mar 84 p 3

/Article by Bidairi: "Eleven Prisoners Dead of Hunger Strike in Diyarbakir (Turkey) Prison"/

/Text/ Kurds Majority of Dead, Others Continue Protest Against Torture

Some 11 of the 43 prisoners, mainly Kurds, who began a hunger strike in mid-January to protest torture used in the military prison of Diyarbakir (southeast Turkey) have died since last Friday, according to the parents of some prisoners, quoted in FRANCE PRESSE.

Last weekend the mother of Cemal Arat, 27, was the first to report that some of the prisoners, her son among them, who had begun a hunger strike had died after 45 days of fasting. It was learned later that some 13 prisoners in comas had been transferred to the military hospital in Diyarbakir.

Among the dead, 11 as of yesterday, there are 2 women, according to the sparse information that the prisoners' families were able to get. It is believed that an additional 10 hunger strikers are in critical condition.

The situation in Diyarbakir's military prison, where the Kurdish militants are jailed, has deteriorated since the beginning of the year because authorities have decided to force the prisoners to wear the uniform normally reserved for civil criminals. Violent incidents followed in the prison and on 6 January a fire in some of the cells caused the death of six inmates.

Twenty prisoners "unable to resist the inhuman treatment" to which they had been subjected for the past 3 years, according to their parents, decided to begin a hunger strike to death on 14 January. Twenty-three others joined the strike in the following days. According to relatives, nearly 1,000 prisoners are willing to replace those who die.

Since the state of siege was declared in Turkey in 1978, torture has been regularly practiced in military prisons, according to the charges brought by relatives of the prisoners. All of the accusations coincide in charging that these centers are "machines for physical as well as psychological destruction."

A teacher who was interned for a year in Sultanhamet, the military prison in Istanbul, declared when he was set free that the Turkish military prisons "aren't prisons, but rather slave camps," but that nothing was comparable to "the hell that is the Diyarbakir military prison."

This center practices assorted tortures, according to charges made by the prisoners' parents. Those most often mentioned are inserting rods in the anus, beatings, throwing cold water on the prisoners and keeping them outside in the nude during the winter. Falaka, inherited from the Ottoman Empire, consisting of beating the soles of the feet with clubs, occurs regularly. The guards also often make the prisoners eat their own excrement and drink detergent.

In Mamak, the military prison in Ankara, prisoners have often been gathered in a courtyard and dogs have been turned loose on them. In this center the hunger strike, begun on 22 February by most of the 15,000 prisoners, continued yesterday.

The slightest protest is paid for in cells so small that the prisoner is forced to remain crouching; to this must be added the permanent humiliations, being unable to go to the bathroom without permission, which is regularly denied, and being required to eat on the floor.

Members of the Turkish Communist Party yesterday again showed obvious signs of having been tortured to the military tribunal which is to judge them.

Although the practice of torture in Turkey is known and denounced outside the country, it is a taboo subject, unknown inside Turkey.

Four Life Sentences

Four leaders of the Marxist-Leninist/Partisan Communist Party /TPK-ML/ were sentenced yesterday to life imprisonment by the Military Court of Ankara.

The 4 defendants, who were tried with 74 others for "armed robbery, murder, assault with intent to overthrow the government and establish a Marxist-Leninist regime," had first been sentenced to death, but the court martial commuted their sentence to life imprisonment.

Insufficiently Denounced Repression

This is not the first time that political prisoners in Turkish jails have died as the result of a hunger strike. In its last report, Amnesty International charged that there had already been deaths for that reason in the Diyarbakir prison in 1982, without being able to specify the number.

Nor is it the first time that there is talk of execution of political prisoners in Turkey. From the military coup in September 1980 to July 1983 at least 173 people died that way, all sentenced in mass trials with no opportunity for defense.

Neither is it the first time that there is talk of political prisoners in Turkey. There is no way of knowing how many there are, but government officials

themselves have recognized on occasion that the jails are overflowing. Most informed estimates speak of 80,000, which some sources put as high as 150,000. Amnesty International has managed to gather evidence of 23,572 political prisoners.

Nor is it even the first time for the mention of torture, permitted by the special laws in force which permit holding a prisoner incommunicado for 45 days. There is abundant testimony as well as moral certainty that dozens, if not hundreds, have died as the result of torture.

And nevertheless, despite this accumulation of savagery, the Turkish dictatorship is not clearly repudiated by the West. NATO, which is supposed to defend freedom, has never questioned its expulsion from Ankara; bilateral relations with most European governments continue as if nothing were the matter; the United States continues to consider Turkey a preferred, faithful ally, as shown by its position in favor of the Kenan Evren regime in the disputes between Greeks and Turks.

Except for the European Council, the rest of the European institutions and governments close their eyes to what is happening in Turkey. To a certain point, the Turkish model is presented as acceptable for critical situations, a provisional dictatorship to "straighten out the economy" (which in this case means to subject it completely to the directives of the International Monetary Fund) and "to put an end to terrorism." This model could even be exportable to other countries in southern Europe: recall the scandal set off by the report of Col Quintero, military adviser at the Spanish Embassy in Ankara, in which the "positive" qualities of the Turkish military coup stood out.

The Kurdish and Armenian minorities are the main victims of repression in Turkey because, since Mustafa Kemal "Ataturk" founded the modern Turkish state in the 1920's, all of the governments have followed a rigid policy of "national unity." Approximately 1 million Armenians were the victims of genocide: Kurdish nationalists are hotly pursued in several countries, but their most precarious situation is now in Turkey. Most of the prisoners in the Diyarbakir prison are Kurds, since the city is in Kurdistan.

The military regime has undertaken a process of institutionalization with the appointment of an assembly that wrote a constitution approved in the regular referendum. Under this constitution, last December elections were held in which the military vetoed numerous candidates. Finally Turgut Ozal, a technocrat former official of the World Bank and collaborator of those who staged the coup, was elected prime minister as a first step in the military's yielding power to the rightists. Some European capitals (let us not say Washington) seem to be satisfied with that coverup. But the reality of the repression in Turkey is terrifying, however, much one pretends not to see it.

12472
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REPORT SURVEYS BUNDESWEHR MANPOWER PROBLEMS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 Mar 84 p 4

/Text/ Bonn, 14 Mar--The demonstrations against further armament, deficiencies in medical and health services, difficulties with the desired date of induction and the timely discharge that is so important for further career development--those were the subjects and problems with which most soldiers had to deal with in 1983. For a minority, there were others: career soldiers were worried about the consequences of the utilization backlog. A minority of conscripts received firsthand experience with the repeated violation of the principles of internal leadership. The overall trend in personnel matters, on the other hand, was positive. There has been a noticeable increase in the number of noncommissioned officers and their training has improved.

This is the short summary of the annual report of the authorized representative for military affairs of the German lower house, which was published Wednesday in Bonn. The report emphasizes as particularly questionable the fact that unequal treatment for lower-ranking soldiers as opposed to their superiors has shown up in the Bundeswehr, leading to a situation where an ordinary soldier is confined for the same misconduct for which his company commander gets off with a lecture.

For the Bundeswehr, the debate on additional armament has led to demonstrations before barrack gates on a scale previously unknown. Service books and uniforms have been burned, entrances to barracks blocked and vehicles damaged. Through their participation in the strategy discussion, however, many soldiers may have contributed to the fact that the peace discussion did not take place as a front against the Bundeswehr. They may have weakened a number of prejudices and contributed to the integration of the armed forces into the society. Berkhan, however, criticized officers of both the younger and the older generations, among whom some individuals, as he writes, had attacked parties in the Bundestag polemically. On the other hand, however, slogans could not replace the work of persuasion. Superior officers should also integrate those soldiers with a different view of further armament than that supported by the majority in the lower house.

In regard to leadership, Berkhan praised the efforts of the defense minister to improve the situation of the individual soldier. The attendant circumstances favor doing this, because there is less of a shortage of noncommissioned officers,

their training has improved and comradeship and solidarity will improve when, as planned, conscripts will go through the entire period of basic and advanced training together. Leadership, however, can be improved only "if the leaders take part." Berkhan pointed out that superior officers do not always provide the necessary example for young noncommissioned officers. He also objected to the rude manner of dealing with people and verbal insults "all the way up to the higher command level." He pointed out that in isolated cases there are still "initiation rituals" that violate human dignity and the right to corporal integrity. He added, however, that he was able to verify "only a few" cases of mishandling of subordinates. Alcohol played a role in most of these cases.

In regard to alcohol in the Bundeswehr, it is known, as scientific investigations have shown, that the drinking behavior of soldiers does not differ from that of the rest of the population. There are also problems in the area of discipline. For 95 preliminary arrests last year, he raised objections in 21 cases. And for 68 observed criminal proceedings because of desertion, insubordination, mistreatment of fellow soldiers and other offenses, in 36 cases he had to call to the attention of the authorities carrying out the punishment the fact that there had been no credit given for time already served under arrest with the Bundeswehr for this offense.

Secondary school graduates who are liable to military service have problems with performing their military service so that additional semesters are not lost because of the timing. Of the 81,000 secondary school graduates liable to military service, only 34,000 could be called up at the "desired date" of 1 July. To be sure, it was possible to induct those who expressly requested it in either the July or October time frame, but this did not always go smoothly. Many young men felt that they were falsely informed about their induction. It is to be feared that these experiences may affect the motivation of those involved. He is concerned that many young men liable to military service could feel that their personal sacrifice for the community is not being honored as it should be. It should be self-evident, demands Berkhan, that all educational facilities set up their courses of study and training in such a way that those who have completed their military service can be channeled into the courses of study without difficulty. "It is my opinion that so far the efforts here have not been adequate," said the representative for military affairs.

A constant cause for complaint is medical care. The essential reason for this is the shortage of 1,200 experienced medical officers. They were replaced by medical officers who are completing their basic military training, that is, young doctors who have just concluded their studies. Also subject of complaint is the "sand in the gears of the bureaucracy of the medical service." That leads to month-long waiting times for inpatient treatment at Bundeswehr hospitals, waiting times of many hours for examination by medical specialists and transportation difficulties. Reservists as well complain about inadequate care, it being withheld from them by the regular troops. This is true both for callups for exercises in which there is no sensible work to be done as well as for food and clothing.

BRIEFS

EARLY RETIREMENT URGED--Bonn--The defense panel of the CDU/CSU parliamentary group in the lower house, along with the Defense Ministry, has begun to develop proposals for reducing the backlog in promotions and utilization in the Bundeswehr. Thursday evening, the panel, along with parliamentary Undersecretary Wuerzbach, reached agreement on offering voluntary early retirement to officers and noncommissioned officers. Thus a majority leans toward giving officers the opportunity to retire at age 48. They would then receive 68 percent of the salary of pay grade A 14. There are analogous plans for sergeants first class. According to the panel's preliminary calculations, the cost would amount to about DM50 million over a 7-year period. In the years 1985 through 1991, at least 1,000 officers born 1935 through 1944 would have to leave active service each year to reduce the "waiting times" for troop utilization of personnel ranging from platoon leaders to battalion commanders. Without appropriate measures, in 1994 about 54 percent of all battalion commanders would be older than 45 years of age and 64 percent of all company commanders would be over 35. /Text/ /Bonn DIE WELT in German 25 Feb 84 p 5/ 9746

CSO: 3620/222

EVOLUTION OF M-4 SUBMARINE-LAUNCHED NUCLEAR MISSILE

Paris TAM in French Mar 84 pp 52-53

[Article by Vincent Chuffart: "M-4 Missile, the Smash Hit of the Year"]

[Text] The submarine-launched strategic nuclear missile--a basic element of our deterrent force--has undergone many changes since its M-1 version. The latest version, the new M-4 missile, incorporates the most advanced technological innovations.

A strategic missile is primarily a vehicle designed to deliver an offensive payload onto enemy territory with a high assurance of accuracy. In France, it all began in 1958 with the decision to initiate priority study of a long-range missile. In 1959, SEREB [Company for the Study and Manufacture of Ballistic Missiles] was formed to carry out this project. The major research effort centered upon three main areas: propulsion, guidance, and atmospheric reentry. This basic study phase was followed in 1966 by development of the first-generation nuclear ballistic missile. These French studies chronologically paralleled the space-travel research conducted in other countries. A missile and a rocket (launch vehicle) pose the same fundamental problems.

A missile's trajectory consists of a powered and guided part, a ballistic part, and lastly, reentry.

A missile is powered by either solid-fuel or liquid-fuel rocket motors. It does appear that the trend is increasingly toward use of solid propellants which pose less problems with storage and with maintenance of such critical items of equipment as turbopumps. A missile's number of stages depends on its design range. When the desired velocity and altitude are reached, thrust is cut off, the rocket motor and its tank are separated from the payload, as is done with a rocket. If need be, the next stage then takes over.

During the powered phase, the missile is guided by a gimbal-mounted inertial platform associated with accelerometers which a set of gyros maintains constantly oriented with respect to an absolute reference point, i.e. fixed on very distant stars serving as a space-fixed reference frame. The measurements made by these accelerometers are fed to an electronic processor that extracts, by integral calculus, the missile's velocity, direction, and position and compares them with the planned course preset in the on-board computer. Course corrections commanded by this computer are made by swiveling or deflecting the nozzles.

The powered and guided phase ends in the ionosphere at an altitude varying with the missile's range, but above 100 kilometers. At that moment, the missile's position and trajectory must be correct, inasmuch as the missile can no longer be steered.

The payload, separated from the propulsion system, then continues on its flight. It gradually loses altitude and begins to decelerate upon encountering the denser layers of the atmosphere.

Deceleration experienced by the equipment is considerable: about 50gs* (1g is the amount of acceleration due to the earth's gravitational pull at ground level. It is equal to 9.8 meters per second). The Saturn V launch vehicle did not exceed 8gs at takeoff, and the human body can withstand 10gs no more than 30 seconds. The nose cone containing the warhead must also withstand intense heat generated as friction with the air slows the missile. All of these operational constraints necessitated a major research effort that produced new solutions with respect to materials and operating techniques as well. Fuel tanks are no longer made of welded metal but of wound synthetic fibers that are more resistant to mechanical and thermal stress. The nozzle throat which, with solid propellants, has to withstand temperatures in excess of 3000 degrees centigrade, is made of woven carbon fibers.

Four versions of the submarine-launched ballistic missile have been built.

- a. M-1 which became operational in early 1972. It was a two-stage missile weighing 10 tons plus 4 tons of solid propellant. It had a range of about 2,500 kilometers and was armed with a boosted fission warhead.
- b. M-2 which differed from the M-1 by its second stage: 6 tons versus the M-1's 4 tons. It gradually replaced the M-1. All of the latter had been withdrawn from service by 1977.
- c. M-20 which was deployed on-board nuclear-powered missile-launching submarines in early 1977. Its propulsion system is similar to the M-2's. Only the 1-megaton warhead is different. The M-20 is equipped with such penetration aids as decoys and chaff (see "A Few Definitions" section below).
- d. M-4 which has three stages: 20 tons, 8 tons, and 1.5 tons. Its total weight is 33 tons. Its outer diameter is 1.93 meters compared with the 1.5 meter diameter of the M-20. To use the same launch tubes as the M-20, the inner tube and suspension had to be replaced with elastomeric liner pads which provide lateral support for the missile and also provide lateral restraint during launch.

The M-4 has a range of 4,000 kilometers and is armed with multiple nuclear warheads (reentry vehicles). It is also equipped with improved penetration aids. It successfully completed several qualification test firings in 1982.

* A velocity decrease of 490 meters per second in 1 second. This corresponds to the complete braking in 1 second of a missile flying at approximately 1,800 kilometers per hour.

Some were conducted on land, and others at sea from the French Navy's testbed submarine "La Gymnote."

The M-4 will enter operational service on board French fleet ballistic missile submarines beginning in 1985.

Deployment of the new S-3 land-based ballistic missile--as replacement for the S-2--begun in 1980, is now complete. The S-3 has the same warhead as the M-20. It is a two-stage missile: a 16-ton first stage and 6-ton second stage.

Development of a strategic missile requires at least 7 years of research and demands a constant adaptation effort. When a missile's characteristics are finalized this does not mean that technological progress ceases. Antimissile defense systems are evolving tremendously. Hence missiles have to be continuously designed to penetrate those enemy defenses whose deployment during the missile's useful operating life is considered highly probable.

M-4 Program Organization

Overall program coordinator is the Technical Directorate for Missiles.

Responsibility for warhead development is assigned to the Atomic Energy Commission.

Aerospatiale is the prime contractor: overall design and general architecture of the missile.

Responsibility for the propulsion system is assigned to G2P, a consortium composed of SEP and SNPE. G2P: Group for Large Solid-Propellant Rocket Motors; SEP: European Propulsion Company; SNPE: National Propellants and Explosives Company.

A Few Definitions

Propellants: a set of substances whose chemical reaction--with an oxidizing substance carried along, not with air--releases a large amount of energy in the form of hot gases capable of propelling a missile or spacecraft.

Decoys: objects that deceive antimissile radars by displaying to those radars the same appearance as real reentry vehicles.

Chaff: Strips of metallic foil or wire that create a large cloud inside which radars are no longer able to distinguish anything. Chaff was employed for the first time in 1945. The width of these metallic strips is calculated on the basis of the frequency of the radars to be confused.

Multiple Reentry Vehicles

If warheads can be made small enough, several of them can then be carried by one delivery system. When these multiple warheads or reentry vehicles are released, they each receive an impulse directing it to the target, but each via a different flight path. In this way, enemy defenses can be saturated much more rapidly.

MORAN ON NATO INTEGRATION, EUROPEAN DEFENSE POLICY

Madrid DIARIO 16 in Spanish 23 Mar 84 p 5

[Article by Francisco Javier Gil]

[Text] "Spain is aware that a neutralist attitude does not currently further its national interests," Minister of Foreign Affairs Fernando Moran said yesterday in his opening address at the conference on "NATO and the Spanish Defense Policy" being held in Madrid, organized by the Group 16.

Juan Tomas de Salas, president of the Group, opened the meeting justifying the holding of this conference which has brought together practically all ambassadors from countries belonging to the Atlantic Alliance, politicians, newsmen and national and foreign observers.

For his part, Fernando Moran read a 21-page speech in which he discussed Spain's international relations with neighboring countries, terrorism, detente and Spain's membership or non-membership in NATO.

Referendum

After pointing out that Spain has belonged to the Alliance since 1982 as a result of a decision of the UCD [Democratic Center Union] government, "made in a hasty manner, without any consultation or attempt at a consensus and without negotiating essential parts concerning Spain's diplomatic and defense position," he stressed the determination of the current socialist Cabinet to "correct these deficiencies, incorporating the people's will into the decision-making process on the matter."

But the minister went on to state that "the decision on whether or not to remain in NATO has very diverse implications." He concluded: "The decision finally made will be the one which, in the opinion of the Spanish Government, produces the most benefits for national interests."

Shortly thereafter, he added that "a neutralist attitude does not further national interests."

Form

Moran, who throughout his long speech frequently strayed from the written text, finally came to current Spanish policy on the matter and, aware of the attention of the ambassadors present -- with American Ambassador Enders in the front row -- including several former UCD ministers, and at this point deviated not one iota from his printed text.

For the minister, "the question of whether or not Spain will remain in NATO in the future should not be asked as equivalent to the question of whether or not Spain intends to contribute to the defense of the West. Nor must it be posed as an option between a Western-type foreign policy and another neutralist policy.

"The basic issue at hand is to determine the best way for Spain to make its contribution to Western defense. One of the possible ways in which such a contribution should materialize would consist of supporting an increase in the degree of defense integration among the countries of West Europe."

Decision

Moran emphasized that "this greater European defensive integration does not have to be incompatible with the existence of NATO" or be interpreted as aimed at the current American presence in Europe. "At the present time, the presence of American troops on the continent and the nuclear umbrella of the United States are essential elements for the security of West Europe."

The minister stressed the need for a considerable increase in defense budgets in European countries in order to "prevent nuclear war on the continent." He immediately added: "This in no way means doing away with nuclear arms and specifically, the protection of the American umbrella, the need for which no one currently doubts. But it does mean doing everything possible to raise the level of the nuclear threshold."

Moran admitted that "in an interdependent world, absolute independence is not possible, but there does exist a margin of potential autonomy. Within the dialectic of blocs, from which it is impossible to escape totally, Spain wants to be a factor helping to smooth down the rough spots that will not fail to occur."

11,464
CSO: 3548/224

TECHNICAL UPGRADING OF MIRAGE JETS PLANNED

Bern TECHNISCHE RUNDSCHAU in German 7 Feb 84 p 17

/Article by Sam Iselin: "Fountain of Youth" for Swiss Mirage. Synthesis of Aerodynamic, Structural and Equipmental-Technical Measures/

/Text/ The Mirage combat plane has been in squadron service with the air force since 1968. For financial reasons, a direct replacement cannot be considered for the time being, so this model will certainly remain in service until the turn of the millenium. For this reason Federal Aircraft Works Emmen has worked out a Mirage "rejuvenation plan" corresponding to the air force's need. Realizing this will give the trusty combat plane a chance to be a legitimate threat in the 1990's as well.

As a consequence of the procurement scandal, the air force was only able to put 57 Mirages, instead of a hundred-series, into service at the time: 36 IIIS fighters, 18 IIIRS reconnaissance planes, 2 IIIBS trainers and a IIIC experimental plane. Of these six IIISs and two IIIBSs were lost; on the other hand, a total of four double-seaters were recently procured as replacements and for more efficient training.

The Mirages, built for the most part under license, have proven themselves successful both as allweather, higher-altitude interceptors (IIIS) and in their role as tactical reconnaissance planes (IIIRS). The renaissance of curvilinear combat (the dogfight) in the 1970's, however, also had consequences for the training of Swiss Mirage pilots: To an increasing degree, air-combat maneuvers with tight curves at middle and lower altitudes had to be taught; the kidskin "stratospheric flyingsuit" gave way more and more to the normal g-suit. Thus, the Mirage was operating in a range of its envelope for which it was not optimized: With its sharply swept-back leading edge, extremely slender profile and its light, rigid structure, the delta wing without a horizontal tail is above all suited for supersonic speeds and high altitudes. In a "dogfight," however, with its tight (subsonic) curves and the extreme angles of attack, lift and resistance increase rapidly until the flow (mostly unidirectional) breaks away and the plane becomes unstable. Like during a landing approach, a "nose dive" can also have fatal consequences in air combat. For this reason, the stall limit is an important element in judging the "air-combat value" of a fighter, all the more so as a stall is also always associated with a loss in costly kinetic energy.

In order to keep the delta-winger within safe limits, many planes like the Mirage III were subjected by the manufacturers to very stringent angle-of-attack (alpha) limits, which are frequently reached much sooner than the structural limits. Tapered wings, like those found on many classic "dogfighters" (F-5, F-16, F-18), are usually less critical as far as alpha limits are concerned.

Nonetheless: Delta for "Dogfights"

Specific modifications, however, can make the virtually optimal dogfight-wing out of the apparently disadvantageous delta wing-unit, as a look at several current fighter projects shows: the Saab "Gripen," the IAI / Israel Aircraft Industries/ "Lavi" and General Dynamics F-16E models, as well as the "Eurofighter" (by British Aerospace, Dassault-Breguet, MBB / expansion unknown/, Aeritalia and CASA / expansion unknown/) all have a delta wing, albeit combined with "artificial," i.e. sensor-monitored, stability, high unit power and aerodynamic modifications. Among the last-named modifications are included, in particular, a "duck wing" (canard) on the forward part of the fuselage (Gripen, Lavi, Eurofighter and also Saab Vigen, IAI Kfir C2, Mirage 4000, Mirage 3NG / new generation/), vorticity surfaces on the nose (strakes) or flaps (slats) on the leading edge of the wing (Mirage 2000 and 4000). In this way, both the stalling behavior of the delta wing and its high landing speed can be improved upon.

IIIS/RS: Conditions

The engineers of the Group for Armaments Services / GRD / and F&W thus saw themselves set the task of modifying the Mirage III for the coming years such that an optimum would emerge with regard to maneuvering characteristics and, at the same time, such that the operational life span could be lengthened--an increase in combat effectiveness, then. Important conditions, however, were present:

--By that time, the Swiss Mirages had all flown around 1,500 hours and so had logged over a third of their "life expectancy."

--The increase in combat effectiveness had to be as cost-effective as possible: Along with aerodynamic improvements, a rehabilitation of the wing and new equipment (angle-of-attack indicator, radio and FFE / friend/foe recognition/) had to be included in the plans.

--The modification of the entire fleet had to be completed by around 1990.

Various options thus fell immediately out of the running:

--Conversion to an engine with greater thrust.

--Conversion from conventional flight controls to a system with electric transmission ("Fly-By-Wire"/FBW) and the introduction of an artificial stability "carried" by active control surfaces (for example, Mirage 2000, F-16).

--Installation of automatically controlled slats, which would have entailed massive structural alterations. Even a "sawtooth" on the outboard wing had to be rejected as structurally too costly.

Independent Canard Development

There remained still a fixed canard to improve maneuverability. In order that the center of pressure of the Mirage III's wing not be shifted too far forward, this duck wing had to be relatively small and placed close to the lifting wing (closely coupled canard). This configuration is found on the Israeli Kfir C2 and on the new Mirage 3NG, but not in a form that could be used to retrofit a Mirage IIIS: The Kfir C2 has a greatly modified fuselage and a sawtooth on the wing, while with the Mirage 3NG the canard is supported by structurally expensive stabilizing surfaces (/apex/) at the forward wing root and the guidance system operates by electronic commands (FBW).

In connection with the development of the retractable "Milan" nose wing (for takeoff and landing), however, F&W had already been involved, in 1968, in examinations of various canard configurations on the Mirage III. This experience proved useful now to the team of engineers and aided them in finding, within a very short time, a "tailor-made" solution. This consists of a small swept-back wing fastened on the "shoulders" of the intake ducts to reinforced duct-ribs equipped with mountings. This position, slightly overlapping the lifting wing, hinders neither the entry of air into the engine nor the pilot's view; as before, the supplementary air flap and the maintenance lid are also accessible. Static tests on the ground and flutter tests in flight have since shown a thoroughly satisfactory stability and rigidity.

The canard produces an aerodynamic effect which causes the flow over the delta wing to stay in contact with it longer, and so delays the breaking off of flow (stalling) at a high alpha and improves the rudder's performance.

The canard is assisted by small metal stakes on the radome. At extreme angles of attack, these "trip edges" cause the flow to break off symmetrically to the left and right of the nose. In this way, lateral stability in the upper range of the angle of attack is improved, downwards pitch is delayed and the stall range is clearly defined. Despite the stakes' metal construction, the functioning of the Mirage IIIS's Taran radar is not appreciably impaired.

Technical Flight Tests

The flight tests, running since the maiden flight of a modified prototype on 23 August 1983, have already shown that the modified aerodynamic configuration fulfills the hopes placed in it: It can be flown "with impunity" at higher alpha values, even under conditions (tight curves) like those occurring in a "dogfight." For the first time, the engine's air intakes could also be tested at higher angles of attack; according to the GRD, the results up till now, like the entire canard testing, have been encouraging. After conclusion of the GRD tests and a tactical field trial (Spring 1984), the operational envelope of the canard-equipped Mirage IIIS and RS will undergo a considerable expansion in the hitherto sharply alpha-limited realm of subsonic curveilinear flight. The pilots will get their hands on a plane that includes practically the same good flight characteristics, but with significantly more reserve at its disposal and with a maximal flyable angle of attack lying between that of the General Dynamics F-16 and that of the Dassault Mirage 2000, the fighters viewed as today's standards.

Rehabilitation of the Wing Structure

Extensive endurance tests at F&W Emmen and the fissure problems known from abroad have made it clear for some time that a definitive rehabilitation of wing structure is needed, instead of the currently prevailing repairs. For this reason, at the same time as the addition of the canard, the main spar is being replaced from still remaining unfinished reserve stocks (hundred-series) and rib 4 is being reinforced.

This rehabilitation comes to only approximately one-third the cost of a new set of wings, such as those being mounted on the greater part of the Australian Mirage fleet. Nevertheless, the rehabilitated wing is practically as good as new and should not yield any more appreciable fatigue problems during its remaining life span (some 2,000 hours), all the more so as the outboard wing is easily relieved of stress at high load factors by the canard.

"Under the Skin" Improvements

Canards and wing rehabilitations are planned for the entire Swiss Mirage fleet. Since each plane will thus have a longer service life, the opportunity for additional needed modifications will be used:

--The single-seaters will get a modified ejector seat that, thanks to a rocket charge, will get the pilot out safely even at a high speed of descent near the ground and, moreover, will greatly reduce the risk of back injuries during ejection.

--Ballast has to be added in the nose of the fuselage to compensate for the shift in center of pressure caused by the canard.

--New underwing tanks that can be jettisoned when desired, together with a tank suitable for supersonic speeds on the underside of the fuselage, will permit the Mirage a longer flight time.

--In connection with the canard, the present angle-of-attack indicator will be replaced by a linear indicator developed by F&W.

--All the Mirages will receive new, higher performance radio equipment. Furthermore, the antenna for the FFE equipment will be relocated.

--In order to catch up with the Tiger and the Hunter, the IIIS, RS and DS will be equipped with radar warning devices as well as Chaff/Flare receptacles.

--The present weapons configuration will be retained, as well as the SEPR /expansion unknown/ rocket motor as optional supplementary equipment on the IIIS. As far as the fighter's Taran fire-control and navigation electronics are concerned, minor improvements are possible; because of the cost, however, replacement with new-technology equipment is out of the question. Still, the reconnaissance planes will at this time get a new inertial navigation system (analogous to the Tiger) that will replace the gyroscopic platform.

Production Starting in 1986

The air force and GRD hope that the Mirage conversion program can be realized with the 1986 armaments program. Starting in 1986, a mix of IIISs and RSs are supposed to enter the F&W production line. The modified and inspected planes will be handed back over to the Federal Bureau for Military Airfields so that "old" and "new" Mirages will be side-by-side in squadron duty during a transitional period. A retraining course is planned for the pilots, in which they will be able to acquaint themselves with the considerably better dogfight capabilities and where they will learn to extract a maximum from the improved aerodynamic configuration.

12507

CSO: 3620/213

STUDY OF GOVERNMENT BUDGET DEFICIT PROBLEMS

Brussels KNACK in Dutch 22 Feb 84 pp 19-20

[Report on interview with Dirk Heremans, professor of economics at the Catholic University of Louvain, by Karel Cambien: "Politics Only Thinks of the Short Term"; date and place not given; passages enclosed in slantlines, printed in italics]

[Text] In Louvain, a study was done of the gigantic government deficit. It didn't spare the politicians, including those of the Martens V administration.

On 21 February it was precisely 2 years ago that the Martens V government, which at the time had not been in power very long, devalued the franc by 8.5 percent. That was the first devaluation since 1948 and even though it was not totally unexpected, the decision was tough on some people. Especially for the then governor of the National Bank, Cecil de Strycker, who was on the eve of retirement, the experience was particularly painful and frustrating. The man had made it his life's work as it were to keep the Belgian franc stable, no matter what the cost. Together with the devaluation of 1982, the government announced a whole series of accompanying measures which are necessary under such circumstances. Government finances alone were hardly mentioned at all. Apparently, they did not expect the slightest difficulty in this area.

Today, 2 years later, those government finances have become the biggest source of concern for this government. According to the most optimistic prognoses the budget will show a deficit of 500 billion francs, but there is nobody left who believes this. You cannot open a newspaper anymore these days without finding another alarming news item on the government deficit. Soon the Martens V administration will once again be faced with the painful precise truth that the assumptions made in the past do not agree with reality.

In the annual report of the National Bank, which was published in the middle of last week, it is once again deplored that such a substantial deficit in government finances continues to exist, which mortgages future budgets and, not to be forgotten, also future generations. The National Bank has been stressing for years that a cleaning up of government finances is imperative, but it has primarily been preaching in the desert. All the experts agree that this cleaning up should be one of this government's first priorities. Professor Dirk Heremans of Louvain has, in cooperation with Hans Geeroms, just

devoted a study to these problems. In this study an admonitory finger is often raised.

Dirk Heremans: In the Netherlands, for example, they have been doing these kinds of studies, as we did, for a long time. The /Bank of the Netherlands/, which is the equivalent of our National Bank, uses them to lead its own economy onto better paths, which succeeds pretty well too.

In the Netherlands, but also in the United States and Great Britain, people reached the conclusion a good while ago that the government must urgently take a step backwards, and they really have taken steps in that direction. For the time being the Belgian government does not seem to be in any hurry to do this yet.

For all kinds of ideological reasons we have made a distinction in our study between the economic sectors which function according to the market principle, and the sectors which function according to the budget principle. In one sector the /cost-profits/ principle plays a large role, in another it does not. The key question in this respect was to be able to measure the extent to which the market sector (the private sector if you will) contributed to the financing of the budgetary sector (the public sector).

The budget mechanism functions with financial levies which necessarily occur in part in the market sector. And yet we have made a number of notable observations. Until the end of the fifties, approximately 30 percent was transferred from the market sector to the budgetary sector, that is to say to the government. Over a period of 20 years a drastic evolution has taken place. The share of the budgetary sector has about doubled, from one-third to nearly two-thirds. The available share of the market sector, on the other hand, has dropped from two-thirds to one-third.

The consequences of this reversal are extremely important. Because of the constant shrinking of the available share, the efforts in the market sector have continued to grow. As a matter of fact, there was increasingly less room for one's own consumption spending and investments. By skimming off that volume of available money, the government could in the meantime let the trees reach for the sky; or, at least, that is the way it seemed.

[Question] How did it actually get that far? Is it merely the result of the optimistic trend of the sixties and seventies, a period during which the word crisis did not exist as it were? Don't you have the impression that somewhere along the line the government has also misused the money that came flowing its way?

Heremans: In the early sixties people thought that it was only normal that more and more resources flowed to the government. The citizens received a great deal in return, among other things the creation of welfare. At that time the government could still steadily grant the wishes of the citizens. Alas, this is no longer the case now: the citizens keep getting less and less in return. And yet it remains true somewhere that the government did not really need this ever growing flow of money.

However, during those early years they neglected to build up reserves, which would have allowed them to absorb to a certain extent the problems which have arisen today. Now they are faced with the enormous problem of having skimmed off so many monetary resources from the market sector that that sector has run into serious problems. Result: an increasing number of people have naturally ended up in the budgetary sector, with the government. That is, among other things, a consequence of the oil crisis, because during the years following this crisis a large number of workers were dismissed and those people nearly automatically fell back on the budgetary sector. If, however, they had made adequate long term plans, then we would never have faced such an explosion of the budgetary sector.

The whole process which takes place then reminds one of a vicious circle: the market sector ran into difficulties, and the government had to try to absorb that. However, this required the imposition of higher financial burdens on the market sector, as a result of which the latter ended up with even more difficulties, and hence even more manpower was dismissed. And yet there is no absolute limit that allows one to say: the budgetary sector cannot take more than such or such a percentage of the market sector. One could argue about that. But what is true in any case is that the growth of the budgetary sector was too quick; that is a conclusion which cannot be avoided.

[Question] What solutions are there really to reduce the government finance deficit?

Heremans: We could continue on the path which has been taken, and thus continue to put more pressure on the market sector, but there won't be too many people left who are willing to defend that theory. Indeed, there is adequate proof that this produces financial problems for everyone: the government and the businesses. A second possibility is a radical retrenchment of government expenditures. This could be achieved either by putting the break on government investments or through radical income moderation. However, neither of these hypotheses would ever pass muster. There must always be government investments anyhow. And too great an income moderation has a demotivating effect, all the more so as there is virtually always more to be picked up in the private sector.

A third and best possibility consists in trying to put a break on the drain toward the public sector. That is to say that the available funds in the market sector are used to promote their own investments and the like. It seems to me that this is the most plausible solution to get the growth of the business sector going again. Hence this assumes that a policy will be conducted which is aimed at strengthening the position of the enterprises.

Giving Away Policy

[Question] This administration always claims that it has substantially improved the competitive power of the enterprises. Isn't that true then? And one also hears constantly that the current recovery policy must be continued into 1985 whatever the cost may be. Among others, Frank Swaelen made a plea for this a short while ago.

Heremans: The competitive power of the enterprises has improved in and of itself, I will not deny that. Nevertheless this does not necessarily mean that, compared to companies in other countries, our companies have become fully competitive. Even today it is still true that Belgian companies abroad can be competitive only because the government steps in so eagerly; an artificial operation, you understand.

Seen from the point of view of the goal keeper, the Belgian companies still have to make up a lag. Besides I will not deny that a retrenchment policy indeed requires continuity. But it is more than high time to tune the policy more to the enterprises. The administration has not paid enough attention to this so far. Only the double operation devaluation-moderation was a really good thing for the companies. However the risk remains that every additional welfare creation of the market sector will be skimmed off by the budgetary sector. In the Netherlands they have created a great deal of breathing space for the market sector and everyone, including the government, has fared well by it.

[Question] The recent analysis by the National Bank noted that the second half of 1983 indicated a "spring in the economic cycle." This could be explained in part by the recovery in foreign demand, but also by the recovery of investments. That sounds optimistic.

Heremans: One could really see that recovery coming. At a certain time they did realize that the companies needed to be given more resources. But it was naive to think that this would immediately lead to new investments. It was true that the financial structure of the Belgian enterprises had become distressingly bad. It is normal that those companies aimed first of all at cleaning up their financial situation somewhat.

It was only in the second place that they also invested. Following the cranking up again of the financial structure the much needed fiscal measures were taken via the Cooremann-De Clercq law. And yet, they were once again too short-sighted; it would have been better to implement the fiscal measures gradually. Moreover, one never knows for what length of time such a fiscal stimulation law will last. Whereas business managers sometimes had to look ahead over a period of 10 or even 15 years.

If the companies rationally want to conduct investment planning, then they should indeed be able to anticipate what the government is really planning to do. However, the majority of shocks in the economy are still caused by the government. Politicians want too much to accomplish things in the short term. At the beginning of a legislative session they take the necessary tough measures, but as the elections approach, they once again become guilty of a mild giving away policy.

In drawing up the new budget, two views run the risk of conflicting with one another. On the liberal side they would like to maintain a linear and credible policy and thus not suddenly stop the income reductions. Within CVP circles they say that the income reduction policy should be gradually stopped because we are getting closer to elections. If not, then that party might risk an electoral punishment.

"Marktsektor en Budgetsektor in België: grenzen aan het overheidsbelang"
[Market Sector and Budgetary Sector: Limits to Government Interest]: a study
by Dirk Heremans and Hans Geeroms. Center for Economic Studies, Catholic
University of Louvain.

8463
CSO: 3614/55

FISHERIES MINISTER FEARS ECONOMIC CRISIS WITH REDUCED CATCH

Oslo AFTENPOSTEN in Norwegian 28 Feb 84 p 28

Article by Alf G. Andersen: "Iceland's Minister of Fisheries Worried: Fish Failure Causes Economic Crisis"

Text Reykjavik 27 February. The Icelandic economy is flagging because of failing cod catches. In a country where 70-80 percent of the export revenue comes from fishing, a "black ocean" is a threat against the whole society. The Icelandic Minister of Fisheries Halldor Asgrimsson tells AFTENPOSTEN that Iceland cannot subsidize itself out of this crisis in the fisheries as there are no other sources of money available. It is not without bitterness that Asgrimsson refers to the fact to the AFTENPOSTEN that Norwegian and Canadian competitors, among others, have an enormous subsidy mechanism behind them.

"We have, of course, an understanding for the problems in North Norway and there are few people who disagree that large transfers are necessary from the rest of the country. But do not forget that Iceland is one large "North Norway"--and we do not have other places to transfer means from. The fish must therefore be competitive. Otherwise we cannot survive."

The Icelanders are regarded as not being very cooperative in fishery negotiations which is something the Norwegian fish delegation experienced last week in trying to obtain a capelin agreement with Iceland and EC. But Asgrimsson tries to explain that the Icelanders are not difficult negotiators by nature--but they cannot afford to compromise.

"But this can best be understood by looking at the situation of our most important fishery--cod fishing. We must go 35 years back in time in order to find worse fishing. In 3 years the catch quota has been from 460,000 to 220,000 tons. Although the outlook for capelin is better than expected, it is far from being able to save the situation. Many of our best trawlers are in danger of going bankrupt. But perhaps we will be able to postpone the bankruptcies by extending the repayment period loans. And also, the capelin fleet has the competitive ghost hanging over it. The fleet would have been greatly reduced if the capelin had not returned."

What measures will be taken if the fish failure continues? Minister of Fisheries Asgrimsson hesitates to answer. Then he shrugs his shoulders.

"To be perfectly frank, I have no idea what we can do. I only know that if it happens, we will never be able to repay our foreign debts."

The Icelanders are known for taking good care of their fish stocks. With regard to cod fishing they have implemented a series of hardbent regulations, among other things, by increasing the net sized, closing ocean areas and reducing quotas. Nonetheless, the cod stock is constantly diminishing. Asgrimsson confirms that the marine biologists have no explanation of why the stocks are constantly decreasing.

"It is possible that earlier we had exaggerated ideas about the importance of regulating fishing but too little attention is devoted to nature's own caper. The marine biologists are surprised that the stocks continue to decrease despite the strict regulations. But when it comes to fluctuations in the natural conditions such as ocean temperature and conditions for nuturing, there is very little we can do."

Asgrimsson says that attempts are being made to fish other fish stocks but the problems is that they are not strong enough to tolerate very much overfishing either.

"We therefore try to reduce the cost as much as we possibly can, among other things, by introducing quotas for the trawlers. Nonetheless, the expenses increase constantly while the export revenue drops. Last year, the export revenue dropped by 14 percent compared to the year before. All this underscores the serious crisis in our economy. It is not easy for a society like ours to survive here in the North. We are only a few people who live in a large country. Transportation costs make it difficult to concentrate on other idustries. We almost have just the fishing to support us," Minister of Fisheries Asgrimsson tells AFTENPOSTEN.

9583
CSO: 3639/82

GONZALEZ TV ADDRESS ON INDUSTRIAL RECONVERSION

Madrid DIARIO 16 in Spanish 12 Mar 84 p 3

[Article by Justino Sinova: "What Is Worrying the Government"]

[Excerpt] The speech by Prime Minister Felipe Gonzalez on TVE [Spanish Television] was good in form but short on substance. Many citizens were probably disappointed at seeing the prime minister engaged in dealing with a single subject when the concerns of the country are more varied and, at times, more serious. In effect, the government is very much concerned over one aspect of political life which it cannot control as it would wish.

In view of Felipe Gonzalez's skill in the art of communications, it is hard to understand why he does not increase the number of his television appearances. His short speech last night [11 March] was correct in form and, on this aspect of the matter, had all the ingredients necessary to satisfy his audience.

However, since the prime minister does not appear on television frequently, at least with the frequency which appears advisable, what is surprising is that he used his speech to deal with a single and very concrete subject, among the numerous issues which concern the citizens. Many of these citizens were probably surprised last night by the limited scope of the prime minister's speech. They probably wanted to hear his views on other questions on the political and social panorama of equal or greater concern.

The narrow focus of his speech reveals, no doubt, one extraordinary concern of the government. Felipe Gonzalez spoke on Saturday [10 March] about the urgent matter of the French attack on our fishermen, in answer to questions from the journalists. However, yesterday [11 March] he set aside all the other subjects and concerned himself with industrial reconversion. The broadcast time of 10:00 pm on Sunday evening is very important. The audience of the state monopoly television system is very large, which leads us to wonder over the indication that industrial reconversion is making the government lose sleep.

In any case what the prime minister said about industrial reconversion was acceptable, and the ordinary citizen has a good guide in this speech for understanding what the prime minister wants to do, for what reasons, and what this society needs to do regarding a difficult compromise caused by the economic crisis and

the lack of effective action over the last few years. However, the word "reconversion" inevitably now recalls the social tragedy of Sagunto. We must conclude that Sagunto is the principal focus of the government's concerns.

Last week a former minister of the UCD [Democratic Center Union] was telling me, in an openly humorous and timely way, that he did not understand why the socialist government, or the Socialist Party, placed so much emphasis on the state of exception [form of martial law] in the Basque provinces, when what was needed was a state of exception in Sagunto. His reasoning, leaving aside the acuteness of his observation, had a terrible logic to it and is probably not far from the concerns of the present government.

In effect, the solution to those problems for which it is probably very well suited is slipping through the hands of the socialist government. At times the government shows signs of not being able to control labor conflicts, and Sagunto is the clearest, most evident, and most dramatic example of this. There was a suitable time to carry out an industrial reconversion program in Sagunto. But this was months ago, when the question was raised. However, the government, which was hesitant at the beginning, let the time go by and has now encountered a monster.

There is another factor which parallels the preoccupation of the government with the subject of industrial reconversion. That is the advantage which the Workers' Commissions, the communist central trade union organization, are gaining from labor conflicts. This is a question which must have been in the background of the prime minister's speech last night [11 March]. The Workers' Commissions and the Communist Party are increasing their activity and clearly benefiting from it, and the only possible loser in this battle is the Socialist Party.

Having said that the objective of industrial reconversion is a scheme of questionable orthodoxy, we must regret that the prime minister did not take advantage of the opportunity to speak to the people about other aspects of greater daily concern to them. Industrial reconversion is more of an obsession for the government than for the people who, for the most part, are concerned about strikes, inflation, terrorism, and salaries. I suppose that many Spaniards went to bed that night, surprised that the prime minister did not speak to them about their daily concerns.

With the way things are, it seems clear that the prime minister has lost a great opportunity to deal with the great questions which overshadow the country. This means that no sooner is his television appearance over than he needs to go on television again. It sounds like a contradiction in terms, but there it is. His speech came to very little. The treatment of the subject was correct. But the subject of industrial reconversion is a subject too quickly exhausted--although it is making the government lose its sleep--to fill a speech by the prime minister when the people's concerns are so numerous and so serious.

5170
CSO: 3548/215

OFFICIAL ADMITS INEFFECTIVE ANTI-UNEMPLOYMENT BATTLE

Madrid DIARIO 16 in Spanish 20 Mar 84 p 13

[Passages enclosed in slantlines printed in boldface]

[Text] Secretary General of Economics /Miguel Muniz/ stated yesterday that the economy has not responded as well as expected to measures taken to curb unemployment.

/Miguel Muniz/ reiterated that with a predicted 3 percent annual growth rate, total employment should increase by 690,000 jobs between 1983 and 1986.

He added that /"in 1983 we did not achieve our objective of holding job losses to just 75,000, since somewhat more than .00,000 were lost,"/ although he explained that /"the objectives are well thought-out,"/ and that the response is not as automatic as one might like because of institutional, business and social rigidities.

Regarding the promise to create 800,000 jobs through the Legislature, the secretary general said that /"the objective can be attained if we want, but exceptional recovery conditions must be present, although that is not impossible."/

He warned that such a lofty goal can be attained /"only if an adjustment policy is pursued, that is, one of balancing the current account balance, and cutting inflation, costs and the deficit."/

He indicated that the number-two problem on the Spanish economic front is the public deficit, which totals about 6 percent of the gross domestic product. The problem is not its high total alone, but also the fact that savings are a low 20 percent of the GDP.

Muniz also pointed out that Spain's deficit, which amounts to 1.3 trillion pesetas, is relatively much smaller than that of Denmark (10.1 percent), Belgium (10.5 percent), or Italy (12 percent), but in those countries the self-financing of businesses with their savings is much greater.

After noting that the reduction of the public deficit /"is one of the most important battles facing the government," Miguel Muniz/ stressed the problems involved due to the crisis and the upward pressure of spending.

He indicated that if the public deficit is not reduced, private investment will be damaged. To come to grips with this situation, the state can step up fiscal pressure (currently at 29 percent in Spain and 41 percent in the EEC), and especially combat tax fraud.

In cutting spending, /Miguel Muniz/ thinks it will be possible only to cut public investment, /"since current account spending by the administration is weak, the Social Security reform is not yet in the offing, and public enterprises are keeping to the 6.5 percent wage raise."/

He also pointed out that the public deficit, which tripled between 1980 and 1982, stabilized in 1983. It is expected to grow by 5.2 percent in 1984, 4.5 percent in 1985, and 3.5 percent in 1986.

He explained that the current forecasts for an economic expansion of 2 percent in 1984 are not compatible with promises for the creation of large numbers of jobs, and that the Economics Ministry is urging /"that the labor market become more flexible in order to open up."/

8926

CSO: 3548/218

SURVEY NOTES RISE IN PUBLIC SECTOR INVESTMENT

Madrid YA in Spanish 20 Mar 84 p 26

[Text] Investments totaling 832.453 billion pesetas have been approved for all public enterprises this fiscal year, broken down as follows: National Institute of Industry (INI), 466.903 billion pesetas; National Institute of Hydrocarbons (INH), 173.262 billion; and the General Office of Capital (DGP) and other public enterprises, 192.288 billion. The total figure is about 4 percent higher than that of the previous year, but there are differences among the various sectors. The INI's investments have fallen by 3.1 percent, while those of the INH have grown sharply, because of its consolidation within the public sector, among other factors. The DGP's and other public enterprises' investments have climbed by 4.8 percent. All these data are official, drawn from a report written by the Ministry of Economics and Finance.

Of the three large sectors of public enterprises, the only one to see its investments cut back is the INI, falling from 481.969 billion to 466.903 billion pesetas. At the same time, however, its structure has improved substantially. External resources declined by 31.3 percent, which will enable the Institute to relieve itself partially of the great financial burdens it must bear. This reduction was obtained thanks to the growth of government contributions and those of the INI itself, as well as the improved performance of internal resources.

INI's principal source of financing is still external resources, with 269.469 billion pesetas, which becomes 179.196 billion when 90.273 billion is deducted to make up for losses in troubled sectors. That figure represents 57.7 percent of the Institute's total financing program, while in the previous year external resources totaled 81.4 percent of the total.

The second largest source of financing is contributions by the Institute, which total 150.225 billion pesetas, an 87.8 percent increase over last year's figure. This percentage becomes 31 percent when adjusted for the provision for increased financing (in accordance with the decree of 1970), investments to be determined by the government, and compensation for losses by troubled sectors. After taking these factors into consideration, the increase is from 191.021 billion to 250.273 billion pesetas.

The government's contributions to the INI come through two channels. Capital subsidies have increased by 47.5 percent, from 3.046 billion to 4.493 billion pesetas. In spite of everything, however, this accounts for only 1 percent of the total. Forty-four percent corresponds to the mining sector and 43 percent to electrical power. More important are the contributions known as "other subsidies," which are estimated at 40.525 billion pesetas for 1984, and represent 8.7 percent of the group. More than half of these funds are earmarked for the mining sector.

Great Expansion in INH

Among the positive contributions to the financing program are three relatively minor aspects. The transfer of tangible and intangible investments amounts to 6.805 billion pesetas; contributions by private stockholders total 3.978 billion; and the transfer of financial investments amounts to 2.552 billion pesetas. The share of internal resources in the Institute has improved considerably between 1983 and 1984, but the figures are still in the red. Between the two fiscal years the total dropped from 37.674 billion to 11.144 billion, a difference of 26.53 billion.

Within the public enterprises sector, the National Hydrocarbons Institute has grown the most. From a total of 114.362 billion pesetas in 1982, it grew to 173.262 billion in 1983, a 51.5 percent growth rate. The most important category is that of external resources, which totals 68.469 billion pesetas, equivalent to 39.5 percent of the total, an 89.7 percent increase over the previous year. This improvement will increase financial spending by the group, but at the same time it serves as evidence of the group's indebtedness capacity.

Internal resources are the second most important source of financing, with 66.39 billion pesetas, 38.3 percent of the total. They grew by 89.1 percent. The enterprises with the largest volumes of internal resources are Eniepsa with 19.73 billion and Enpetrol with 14.781 billion pesetas.

The government's contribution has dropped considerably, from 29.84 billion in 1983 to 21.943 billion in 1984. State subsidies are distributed almost exclusively among Eniepsa, E.N. del Gas and Butano. E.N. del Gas is the only beneficiary of the 11.66 billion pesetas contributed by autonomous agencies. The investment program is completed by 4.183 billion pesetas in transferred financial investments, and 617 million in transfers of tangible and intangible investments.

DGP To Invest Less

The 192.288 billion pesetas that the General Office of Capital and other public enterprises are expected to invest in 1984 represents a decline of 4.8 percent from 1983. In the opinion of the report's authors, however, the program evidences better utilization of sources of financing, as indicated by a notable increase in internal resources which, along with rises in government contributions, enable the group to reduce external resources considerably. With the decline in the debt-equity ratio, there is hope that this group of enterprises can get out from under its financial burdens. Thirty-seven

percent of the total is represented by government contributions, which total 71.111 billion pesetas. The Spanish National Railroads (RENFE) takes up 70 percent of the total. Another 20 percent is distributed among Intelhorce, Puerto Autonomo de Bilbao and Spanish Narrow-Gauge Railroads (FEVE).

8926

CSO: 3548/218

GOVERNMENT SUBSTITUTING INDUSTRY 'CRISIS AID' FOR RESEARCH

Stockholm SVENSKA DAGBLADET in Swedish 6 Mar 84 p 31

[Article by Anders Nordstrom]

[Text] According to the bill on industrial renewal that was submitted by Minister of Industry Thage G. Peterson on Monday, the government is going to invest an additional 1.1 billion kronor in its industrial policy over the next 3 years.

A large share of the new money will go to new projects and technical development.

"The industrial policy can then get back to playing its proper role following several years in which industrial policy has been synonymous with a defensive subsidization policy," claimed Thage G. Peterson as the bill was being submitted.

Among other things, the bill emphasizes how important it is for Sweden that there be a widespread new spirit of enterprise in the country.

Thage G. Peterson emphasized: "A new spirit of enterprise is the basis of a positive transformation and renewal in Swedish industry."

Among the measures being proposed to stimulate a new spirit of enterprise are grants that can be paid to inventors as individuals or as groups.

Creating a Safety Net

The Ministry of Industry has also signed an agreement with the SCA [Swedish Cellulose Company] in Munksund under which employees of that company can obtain a leave of absence to try to start their own firms.

Thage G. Peterson explained: "The idea is that there will be a safety net so that if the effort to start one's own firm does not work out, the entrepreneur can have his old job back."

"The intention now is that this agreement will serve as a model and that other big firms will follow along and sign similar agreements for their employees."

The government has also chosen to invest a large portion of the new funds in small business. Some of the more important measures are the following:

1. The SIND (National Industrial Board) will get 135 million kronor with which to encourage small businesses with development potential. Among other things, those businesses will have access to consultation services.
2. A new research subsidy for small businesses will be introduced at a cost of 62 million kronor.
3. A special small business fund will be established to help smaller firms obtain venture capital. In its initial phase, the fund will receive 100 million kronor to be provided from the wage earner funds.
4. A special Design Center will be formed and provided with 15 million kronor initially to help small businesses in that area.

Design Assistance

Thage G. Peterson says: "This assistance with design will be concentrated primarily in the glass, textile, and furniture industries.

"I feel that design has often been a backward area in Swedish firms. In Finland and Denmark, for example, more has been invested in that area with good results."

But the Ministry of Industry will also invest large sums in support of technical development in larger industrial firms. As one example, an additional 95.5 million kronor will go to the microelectronics program being carried out in cooperation with several big firms.

About 15 million kronor will also be used to support the development of highly automated production systems in the engineering industry.

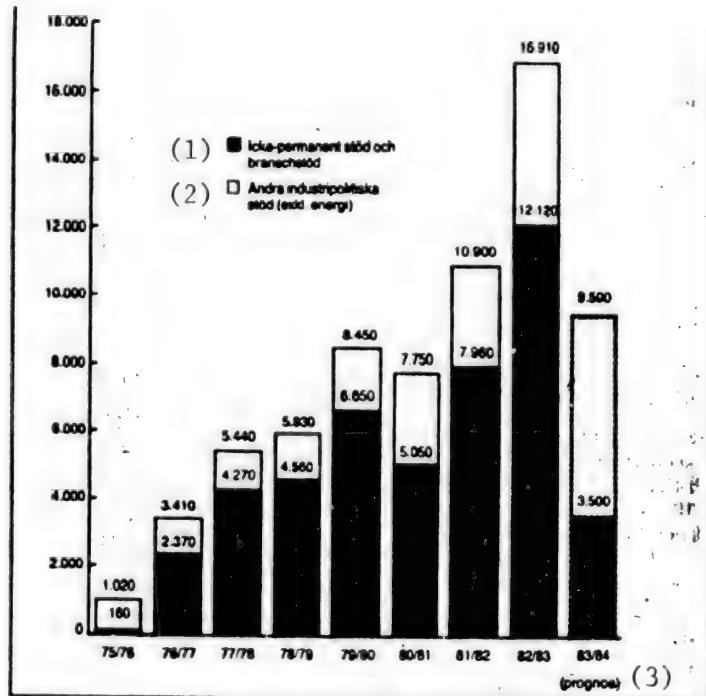
High-Risk Ventures

Moreover, the Industrial Fund will receive an additional 600 million kronor over the next 3 years. That money will be used to back technical development projects, primarily in larger firms, that present a greater risk. If a project fails, the Industrial Fund will bear approximately half the loss, but if a project works out, the fund will get its money back with interest.

Thage G. Peterson also pointed out that the bill in question had been worked out in close cooperation with business and union representatives.

He explained: "It is important to be able to carry out investments of this kind in broad agreement with those directly involved. I am not concealing the fact that some of the proposals are not included in this bill because I could see that they were encountering opposition in one group or the other."

Industrial Aid: 1975-1976 to 1983-1984 (Estimate)
 Net cost in billions of kronor at current prices



Last year, 17 billion kronor were paid out in industrial aid. Over 12 billion of that went to firms in crisis, which this year will receive another 3.5 billion kronor. The Ministry of Industry is now predicting a decline in crisis aid.

Key:

1. Nonpermanent aid and aid to industry
2. Other industrial policy aid (excluding energy)
3. Estimate

Source: Ministry of Industry

End to Crisis Aid

The minister of industry also emphasized that the days of generous crisis aid for industry were over. The good profit situation that now exists means that the firms must be able to take care of themselves.

He emphasized: "Good profitability in the firms also means responsibility. The profits must be used for research and for investments resulting in new jobs.

"If a particular firm experiences losses, it will have to bear those losses rather than turning to the government. When things go badly, the firms and their owners must themselves assume the responsibility for seeing that counter-measures are adopted quickly to avoid bankruptcy."

In all, the industrial policy will cost 4.3 billion kronor over the next 3 fiscal years.

11798
CSO: 3650/148

UNION DEMANDS LOOSENING OF BANK RESTRICTIONS

Istanbul CUMHURIYET in Turkish 31 Jan 84 p 9

[Text] Following the Ozal government's initiative to change the bank law, the higher organization of banks, the Union of Turkish Banks (UTB), has prepared and presented to the Undersecretary for Foreign Trade and the Treasury a document of 29 pages comprising the text of a proposed change on this subject and supporting memorandum.

Conspicuous in the UTB proposal is the inclusion of many requests for a return to the old method. The following points summarize the UTB's demands for changes in the law.

--Section 1: The UTB assesses this section, where the aim is formulated, by saying that "it gives private sector banking a markedly interventionist character. The necessary legal change must be made." This section describes the aim as "to organize the structure, management, and working principles of banks, and control of banks through transfer, merger, and liquidation, so as to protect savings and so savings will be used in keeping with the requirements of economic recovery."

--Section 5: The UTB demands a legal change in this section, which arranges bank structure, whereby the Finance Ministry's discretionary power over transfers of bank shares exceeding 10 percent would be ended. Furthermore, the following summarizes the UTB's criticism and demand for change as regards the provision that at least 51 percent of capital belong to stock corporations which are real people:

"The expression 'at least 51 percent of shareholders be real people' means that real people are 51 percent. The expression 'at least 51 percent of capital' is erroneous. A phrasing of the section which would exclude misinterpretation is '51 percent of shareholders be real people.' Thus no relation to capital is established. By the same token, making a portion of bank shares redeemable by the bearer is useful from the standpoint of broadening share ownership."

--The UTB criticizes the criterion, included in Section 12, for objecting to banks' receipt of deposits as "very abstract and subject to arbitrary implementation." It also demands consideration of the conditions giving

rise to the objection. Further, it asserts that the principle of public notification, included in Section 13 which identifies those not empowered to receive deposits, "creates the possibility of under-the-table banking."

--It demands the protection of national banks in particular in Section 15, which concerns permission to open branches, and says the following on the matter:

"In framing the principles of opening branches, the Ministry must consider principles which protect newly developing banks as well as multi-branch banks, and which prevent the proliferation of foreign banks."

--The UTB assesses the condition that members of the board of directors possess at least 10 million TL in shares by saying that "it tends to block specialists from being members of the board of directors." It requests that Section 22 be changed on this point.

--In demanding that Section 29, which requires bank directors to make financial declarations, be changed, the UTB advances this view:

"Placing bank directors under this severe an obligation, by means of this section, will hinder relaxed and effective decision-making by heavily pressured directors."

--The UTB recalls that an unnecessary deduction has been made from the state bonds exchanged for reserve cash on bank balance sheets, and demands that interest be paid in full or the matter clarified.

--Of Section 38, the subject of great criticism in general, the UTB says that its implementation has resulted in much confusion and, noting that the provision which limits credit and makes 10 percent the maximum partnership share is very low as regards the latter figure, demands that the 10 percent limit be raised, if there is a similarity between company and bank ownership.

--Pointing out that investment banking is not protected in Section 40, which organizes credit interest, the UTB demands that the Cabinet stipulate the credits which these institutions would open. It assesses the matter of the credit-using right of investment banks' joint institutions in these words:

"Because recovery and investment banks are public and private sector banks whose partners own a five percent share or more, if the provisions of this section are narrowly interpreted, recovery and investment banks henceforth will not grant credit to the direct and indirect partners of our country's main banks and will be forced to eliminate a great portion of credits in the period envisioned by the law. Consequently, the interpretation that this provision does not apply to joint banks must be applied."

--Noting that the three million TL limit as regards the Deposit Insurance Fund (recently the topic of conversation again, upon liquidation of the

Bagbank) is insufficient, the UTB summarizes its demand for a change in the law thus: "Because a savings deposit in a bank receives partial insurance coverage, depositors will resort to keeping deposits in more than one bank, and this will result in lost time and efficiency since it multiplies the number of transactions."

--The UTB requests alteration of Sections 77-88, which call for prison terms for improper business conducted by bank directors. It says the following on the subject:

"Instead of imposing short or long term imprisonment, in direct connection with the provisions which organize the formation of bank charters, the status of accounts, and economic activities, it would be more appropriate to re-examine the KHK's punishment provisions and to impose penalties like a fine, temporary or permanent exile, or prohibition from practice, according to the importance of the principle involved."

12556

CSO: 3554/142

DENMARK DISAPPOINTED NORWAY ABANDONS SWEDISH PIPELINE PLAN

Oslo AFTENPOSTEN in Norwegian 1 Mar 84 p 3

[Article by Eivind G. Karlsen

[Excerpt] Lack of interest in Norwegian oil companies has a disappointing effect on Denmark's hopes for a petroleum fund. Energy Minister Knud Enggaard aired this disappointment in the Nordic Council today. His Norwegian colleague, Kare Kristiansen, asked for his part for reduced enthusiasm for a pipeline overland from northern Norway.

"Preliminary investigations indicate clearly that this is hardly the most rational transportation solution," the oil and energy minister said. He saw no reason for pessimism concerning the possibilities for finds on the northern Norwegian continental shelf: "in the corresponding phase in the southern areas, we still had not made such promising finds," the minister said.

As far as the Danish shelf is concerned, Kristiansen said that there is no lack of Norwegian interest. He pointed out that the companies are occupied at present with huge tasks in our own North Sea shelf.

The minister urged closer Nordic cooperation in the energy policy area. In many areas, for example the one that includes the Nordel cooperation, we have done quite a bit. But Kristiansen pointed out that if cooperation is to be successful, it must be adjusted to a current need among the participating countries. Well-meaning suggestions that are based on one-sided contribution from a country have shown themselves not to be realistic.

9124
CSO: 3639/85

NORWEGIAN MINISTER: STATOIL HAS FREE HAND IN TALKS WITH UK

Oslo AFTENPOSTEN in Norwegian 7 Mar 84 p 48

[Article by Flemming Dahl]

[Text] Oil and Energy Minister Kare Kristiansen does not think that the government will step in to make sure that the British government approves the agreement on the sale of Norwegian Sleipner gas to the British Gas Company (BGC).

Kristiansen feels somewhat misquoted by the Norwegian News Bureau, which sent out a report Tuesday that could be interpreted as meaning that the government thinks this is the time to step in.

Kristiansen stressed to AFTENPOSTEN that it is Statoil, the Norwegian state oil company, that has negotiated the agreement with BGC, and that the government, now as before, has no desire to get mixed up in the matter.

Kristiansen leaves no doubt that he is strongly interested in the necessary approval of the agreement by the London government. "I refuse to believe that the British government will not approve the agreement," he said.

While parts of the British government are said to favor the approval of the agreement, other parts of the government stress the commercial interests that oppose the agreement. These interests wish Great Britain would turn rather to gas imports from Holland and from Great Britain's own fields in the North Sea.

"We are trying to keep the matter out of politics," Kristiansen stressed, even though he does not quite ignore the fact that it may land there.

Even if the Norwegian government wants to stay on the sidelines, it is a fact that Sleipner gas is entering international politics like a pawn: If Great Britain chooses to buy Dutch gas, this will require a pipeline over the English Channel, and this can open the way for what many have expressed fear of -- namely the access for Soviet gas to the British market as well.

9124
CSO: 3639/85

IMPORTING OF ELECTRIC POWER FROM USSR PROPOSED

Helsinki HUFVUDSTADSBLADET in Swedish 19 Mar 84 p 9

[Article by Per Lindberg: "Dr of Technology Markku Nurmi: 'Electric Power From USSR May Replace New Nuclear Power Plant'"]

[Text] Turku--Dr of Technology Markku Nurmi--he who produced the sensational study on the pricing and competitive situation of electric power and district heat--is of the opinion that in the future we ought to meet our additional demand for electric power with imports from the Soviet Union instead of adding a fifth nuclear power plant. But Nurmi, who presented this concept at a panel debate in Turku last weekend, did not remain unchallenged; the industry representative, above all, reacted strongly.

Magnus Buchert, who represented industry at this discussion about the fifth nuclear power plant arranged by Turku Environmental Protection Society, emphasized that such a solution will become extraordinarily expensive for industry, since it would then be forced to buy its electric power directly from the state-owned company IVO [Imatran Voimal] at a normal rate schedule and would not, as now, receive significant discounts thanks to its own power plants.

Dr Markku Nurmi also backed his proposal with the general trade policy arguments that we ought to import more from the Soviet Union. However, he believed that what we should do first of all is to build large district heat centers, which would also produce electric power, in the vicinity of all of our major cities.

Proceeding in such a manner, with "normally" produced electric power and imports, would free us from large investments and would thus provide more inexpensive electric power, since it has been shown that nuclear power is not quite as cheap as was originally envisioned, Nurmi pointed out.

Fifty Percent Increase up to the Year 2000

Magnus Buchert stated that industry in our country today consumes about half of all the energy used and between 55 and 60 percent of all electrical energy. By the year 2000 the electricity consumption will have increased by 50 percent in comparison with 1982, when industry did not operate at full capacity because of the slump in the economy.

Heikki Niininen from Imatran Voima stressed that we cannot anticipate any new sources of energy for the moment, although the share of solar energy may possibly increase somewhat toward the end of this century. At present our nuclear power plants produce 40 percent of the electric power, 30 percent comes from hydroelectric plants and the remainder from thermal power plants.

"A fifth nuclear power plant would guarantee that the share of nuclear power in the production of electricity could be kept at the present level during the 1990's, despite the heavy increase in electric consumption," Niininen stated.

Doubtful Prognoses

A great deal of debate ensued around the question of electrical heating and its position in the future. Researcher Markku Nurmi stated that electrical heating and its increasing popularity is of quite great significance for the future need. If electrical heating becomes more common, the consumption of electricity will increase strongly, and in Sweden, for example, the use of electrical heating has already begun to be limited for that reason.

Henrik Hausen from the Energy-Political Association argued warmly in favor of domestic replacement energy and warned against the dangers connected with nuclear power. He also expressed doubts concerning the available prognoses for an increase in electrical consumption.

But Heikki Niininen from IVO emphasized that our country can gain considerably by increasing electrical consumption at the expense of imported energy. It would be entirely possible to reduce the bottom line for the latter from today's 18 billion marks to below 10 billion.

The panel did not arrive at a solution to these questions, and what the public could find out was that the experts disagree deeply on the issue. It was also established that the waste question of the nuclear power plants is very serious, since merely test drilling for potential waste storage in the bedrock leads to panic-style reactions.

11949
CSO: 3650/159

NEW CHIEF OF NORSK HYDRO OUTLINES GOALS FOR FIRM

Oslo AFTENPOSTEN in Norwegian 1 Mar 84 p 31

[Article by Bjorn H. Tretvoll and Thomas Knutzen]

[Text] Continuity in leadership is one of the many factors that contribute to Norsk Hydro's strength. One should therefore not expect large and dramatic changes in the company as a result of today's change of leadership. In this way, Hydro's new general director, Torvild Aakvaag, indicated that Norway's largest industrial concern will continue to develop along the same general lines as under his predecessor, Odd Narud.

During the period of Narud's leadership of Hydro, the desire for continuity was no hindrance to a quite dramatic development in the company. Sales rose from barely seven billion kroner in 1977 to over 29 billion kroner last year.

"The results have also improved significantly, but we are still not completely satisfied on this point," Narud said. He points to the comprehensive structural change Hydro has undergone in recent years, particularly in the fertilizer and petrochemical sectors, as the main reason for the improvement. Besides this, a strong effort on all levels to increase productivity has had good results. In 1983, Hydro's surplus after taxes was 1,150 kroner, while the corresponding figure for 1976/77 was 169 million kroner.

"Oil operations have probably also made a significant contribution to the surplus?"

"In recent years they have, and they will probably continue to do so. In the present economic situation, improved results in the light metal and petrochemical sectors will produce good results, both in 1984 and 1985. In these years about half of Hydro's surplus after taxes should come from land-based operations," Narud said.

Aakvaag added that the outside world is not fully aware of the strong improvements in results that have taken place in Hydro's land-based operations recently. In a period in which the company cannot expect any growth in oil and gas production, these sectors will make a solid contribution to the company's profit.

"But without the income from oil operations, we could not have carried out the strong expansion in recent years in land-based operations," Narud stressed. In the early years, the expansion of oil operations required extremely large loans as well as contributions from traditional operations. Later, our oil income helped the rest of the company.

Strengthen Positions

"Will the strong effort in the fertilizer area, among other things, with the purchase of several foreign companies, now be followed up in other areas?"

"We must now solidify and strengthen our positions," Aakvaag said, without ruling out more takeovers. In the fertilizer area, Hydro has a dominating position in Scandinavia and significant market sections in many European countries.

"We will hardly achieve a correspondingly strong market position in, for example, aluminum. The problems the light metal industry has had in recent years have pushed the possibilities that are still to be found in this industry in the background. There are many factors that speak for continued Norwegian investment in these areas, first and foremost by expanding existing plants," Hydro's new chief said.

Narud pointed to the significance the government's energy policy has for this section of Norwegian industry. "We have certain advantages because of our access to electrical energy, and we do not agree that the latter should be used up by increased taxes or in any other way," he said.

"Hydro has not been happy with the government's oil policy recently?

Narud: "Hydro's early efforts assured Norwegian participation in oil operations right from the beginning. Now, production from the early fields is decreasing. Therefore we need larger sections in promising areas to maintain our production levels."

Aakvaag: "Hydro has made a strong effort to build up a solid organization in the oil sector in the belief that we will receive orders that will utilize this capacity. We are trying to create an environment that can further new thinking in a branch that tends to opt for traditional solutions.

Takeover

"Hydro also wants to build up its own distributing and marketing network for gasoline and oil products in Norway. We believe the Norwegian market needs a new competitive element. The purchase of existing companies is not the only alternative," Aakvaag said, pointing out that Hydro in Denmark has had good luck in building up a marketing company from scratch.

"Does Hydro want, in the near future, to begin completely new areas of operation?"

"We want to develop further in the operations we are now engaged in and which we understand. We have, for example, a solid base in agriculture, and we are, among other things, Denmark's largest broiler producer with a production of two million broilers a year. Besides this, we are already engaged in fish breeding, an activity that has a close connection with our feed production in Denmark," Aakvaag said.

In the meantime, Hydro will not attempt growth in other areas, for example, in data and telecommunications, which lie beyond the areas in which the company has experience and competence.

"Where will Hydro be when Aakvaag approaches retirement?"

"It is hard to say anything definite about that, but I am certain that Hydro will be a healthy and harmonious company with a very solid economic base," Narud said, who is turning over the company to his successor with the secure conviction that the right course has been set toward this goal. After 20 years of cooperation, he has no doubt that Hydro has found in Aakvaag a top leader who, together with his many co-workers, will provide for a continued favorable development of the firm.

Readjustment, not Speculation

Stock speculation must not become the driving force in the readjustment of Norwegian industry," Torvild Aakvaag said. "The stock market can be an important corrective in expediting necessary changes. But such a change must come from basic structural problems for the industry as a whole or in the individual company.

"In the U.S. we have seen that stock-owner interests have demanded that oil and gas reserves be separated from the integrated oil companies and turned over directly to the stockholders. This can create serious structural problems for the companies, and therefore also for the stockholders," Aakvaag pointed out. He is glad that this cannot happen to Norsk Hydro. "Our stockholders should also be glad of this," he said.

Aakvaag said that one cannot direct a company first and foremost with a view to stock prices. "My concern is that the company expand and become strong. This will then cause the stock price to rise."

Odd Narud added: "We will take good care of our stockholders."

"What do you in the top leadership think about the price of Hydro stock. Is it right?"

"If one regards the price in relation to the real income that, with the dividend we give, is about two percent, I think the price is high," Narud said. "But if one is in the market to buy and sell, and particularly compared to other companies, I think Hydro's stock is low," he said.

"Is the top leadership preoccupied with the stock price? Do you follow the developments on the Oslo exchange every day to get the market's evaluation of your efforts?"

"Since our operations are to such a great extent in oil, the price of Hydro stock is set to a great extent in New York," Narud said.

"When the price is determined there, would it not be correct to have the stock listed there in order to give the company's finance office better possibilities?"

"We have not discussed this yet in company management. We will now make a new effort to find out what the conditions are for a listing on the New York Stock Exchange, and what amount of shares must be made available. There are many arguments for listing our stock in New York, but we must make several complicated and specific calculations and then consider the results together with the information we already have," Narud said.

Aakvaag added that a listing in New York will certainly cause Hydro to become better known among American investors.

"This will mean that next time it will be easier to invite them to take part in our loans. It is important for the whole financial market to be as well informed as possible about our company."

"Has Norsk Hydro noticed that the stockholders are exercising a more active ownership, that they are making greater demands on the company?"

Narud: "Not just the stockholders, but the whole society and the media are now much more interested in what happens in a company than they were a few years ago. This is a development that will continue and become stronger."

"What significance does it have for Norsk Hydro that the stock market and the whole private capital market is now more active?"

"The development we have seen here in Norway is similar to what we have seen in most European countries. The developments on the stock market are quite positive," Narud said. "We get a large part of our capital from these markets. What has happened here at home has improved the whole economic climate."

9124
CSO: 3639/85

STATOIL ANNUAL REPORT EXPLAINS UNEXPECTEDLY HIGH PROFITS

Oslo AFTENPOSTEN in Norwegian 7 Mar 84 p 25

[Article by Flemming Dahl]

[Text] Last year the Statoil company had a turnover of 26.3 billion kroner, of which about 7.5 billion goes to the state treasury, according to the annual report. If the payment to the government had been divided in the pockets of all Norwegians, it would amount to about 1,850 kroner each.

When the Statoil company's commercial director, Jacob Oxnevad, presented the 1983 figures Tuesday, he let the unexpectedly large oil production at the Statfjord field have the main credit for the turnover being about four billion kroner larger than calculated. The turnover increased by about 50 percent from the previous year.

The positive effects of the dollar being higher than expected were, according to Oxnevad, erased by a lower than expected price for crude oil. The average dollar rate was 7.31 kroner against an expected 6.50 kroner, while the average crude oil price was about 30 dollars against an expected 33-34 dollars.

The operating profit was 8.6 billion kroner (5.7 in 1982), while the net profit was 1.4 billion (0.4 in 1982). Of this profit, 0.8 billion goes to the government in the form of profit, and the other 0.6 billion goes to a reserve fund.

The total payment to the government of 7.5 billion kroner consists of 4 billion in taxes, 2.7 billion in duties, together with a dividend of 0.8 billion.

Statoil's total crude oil yield of 10.7 million tons breaks up into 6.8 million tons from the Statfjord field, 0.4 from the Murchison field, and 3.5 in government duty oil.

The turnover, that is, the operational income, of a total of 26.3 billion kroner, divides up into 16.2 billion from crude oil, 0.7 from gas, 7 from refined products, 0.7 from petrochemical products, and 1.7 from other items.

Director Oxnevad expressed great satisfaction with last year's operations. He pointed out that the operational results from Statoil's petrochemical activity was 39 million kroner, compared with a negative result of 12 million the year before.

The company invested almost 10 billion kroner in 1983, mainly in the expansion of the Statfjord and Gullfaks fields and in the system of transferring gas to land, Statpipe.

9124
CSO: 3639/85

GOVERNMENT CONCERNED STATOIL MAY DWARF REST OF ECONOMY

Copenhagen BERLINGSKE AFTEN in Danish 16-22 Mar 84 p 5

[Commentary by Hans J. Poulsen]

[Text] A new chapter was added to the Norwegian oil venture when the state-owned oil company, Statoil, published its 1983 balance sheet recently. Billions of kroner are flowing in from the drilling fields. But this money is gradually affecting the Norwegian economy so much that other Norwegian industries are afraid they will be the victims of having a cuckoo in the nest, so to speak.

Denmark has its DONG [Danish Oil and Natural Gas] and Norway has its NONG. In reality it has another name. Statoil is the name of the 100 percent state-owned Norwegian concern which in the space of a few years has drawn billions upon billions of kroner up from productive drilling fields in the North Sea and created Klondike conditions in western Norway. The expansion has surpassed all expectations but it has also created anxious misgivings.

The oil boom the Norwegians have experienced in the early 1980's is reflected in Statoil's balance sheets. When this state-owned and state-financed company submitted its first business statement in 1980, its operating profits were 203 million Norwegian kroner. Now the 1983 balance sheet is available. It was published earlier this month and shows operating profits of 8.6 billion kroner. Sales amounted to 26.3 billion kroner and the figure is rising steadily. This is broken down into 16.2 billion kroner on crude oil, 0.7 billion on gas, 0.7 billion on petrochemical products, 7 billion on refined products and 1.7 billion on other activities.

Several Thousand Kroner Per Inhabitant

Of the 26 billion kroner in sales, 7.5 billion go to the Norwegian treasury. Figured in Danish kroner, this amounts to 2,300 kroner per Norwegian inhabitant.

Sales were 4 billion kroner more than budgeted and 50 percent higher than sales the year before. This is due especially to the fact that the rich Statfjord field has yielded more than anticipated. And the Norwegians have also profited from the rise in the exchange rate of the dollar. With an exchange rate of 7.31 Norwegian kroner, the rate is 81 ore more than estimated originally.

On the other hand, like other oil-producing countries, Norway has had a decline of about 20 kroner per barrel in the market price of crude oil to contend with.

The Norwegian state does not manage the operation of the oil and gas fields. A special operator has been called in for this purpose. At present it is the American Mobil Company. But in the course of the 1980's Statoil is expected to take over this part of activities. On the other hand, there are signs of growing anxiety that the company might become too big, a power factor in the country's mixed economic system and for this reason other Norwegian companies like Hydro and Saga have become stronger factors in exploration.

The Norwegian DONG has developed into a power monopoly. Opponents accuse it of state capitalism. But the current discussion in Norway is no longer so concerned with changing Statoil's structure--which the current Norwegian government criticized sharply when it was in the opposition--as it is with limiting Statoil's activities to their natural scope. In the words of Energy Minister Kaare Kristiansen, they fear a "Kuwait effect" on the Norwegian national economy.

Dependence on the oil sector has gradually become so extensive that a very serious situation would arise for the Norwegian economy as a whole if prices decline or projected production goals are not met, the Norwegian government stressed. But for the time being optimism appears to be unlimited. In 1983 alone, 10 billion kroner in investments went toward development of drilling fields and establishing a system to bring gas ashore under the name of Statpipe. Investments in the oil boom are becoming greater than all other Norwegian industrial investments put together.

In the 1990's it is considered certain that a quarter of total asset growth in Norway can be attributed to oil. Will this be a form of "state capitalism," the consequences of which no one can really comprehend?

Statoil itself does not admit to any dominance over Norwegian business life, but stresses that a big state company can serve as a battering ram for other Norwegian industries on the international market.

A comparison with the Volvo firm in Sweden is a natural one. Norwegians also resort to it when they have to defend Statoil's enormous growth and counter charges that this is having the effect of a cuckoo in the nest on the private industrial sector in Norway.

It is pointed out that Volvo handles four times as much of the Swedish national product as Statoil does of the Norwegian GNP.

But by the beginning of the 1990's, it is estimated that the state's gross income from oil will be over 100 billion kroner, about the same size as the Norwegian national budget.

Norwegianization

Statoil is under the control of the government and the parliament. But the role of both bodies is regarded as more of a "rubber-stamp" function for decisions that have already been made in the technosphere itself. Commercial freedom of action--the critics charge--does not harmonize well with popularly-elected controls.

As the years have passed since the oil began to flow, it is indisputable that the Norwegians have acquired a wideranging technological insight into and experience with oil exploration and production. They no longer need as many foreign experts as they used to. This has spawned a desire for a "Norwegianization" of oil activities so that foreign companies can be totally excluded from acting as operators in the oil fields.

Foreign policy considerations are involved in this assessment. If they move into the northernmost drilling fields, Norway will be in direct contact with adjacent Soviet continental shelf interests, which is not the case in the North Sea fields.

6578
CSO: 3613/121

INTERNATIONAL BALTIC COMMISSION REPORTS LESS POLLUTION

Helsinki HELSINGIN SANOMAT in Finnish 10 Mar 84 p 11

[Article: "Baltic Recovery Already Visible; 10 Years of Cooperation Against Pollution Have Paid Off"]

[Text] Ten years of international cooperation to save the Baltic have paid off. The pollution rate has slowed down. The weakening of the overall condition of the sea has ceased; it will probably even gradually improve.

The Helsinki Commission, which is in charge of the Baltic, has not eliminated the problems. The phosphorus content has risen, even tripled in places.

Commission chairman Prof Arno Voipio explained that, aside from the increase in phosphorus discharges, difficulties are also due to water conditions typical of the Baltic which prevent matter from precipitating to the sea bottom as it does in the ocean.

Fortunately, phosphorus is not a serious pollutant. It causes abundant local growth which the biological cycle cannot adapt to.

The relative amount of difficult hazardous substances is declining in the Baltic. This is certainly the case with DDT and the same is apparently also happening with PCB.

The biggest changes in the organic nature of the Baltic are due to humans, but some are also due to unknown occurrences in nature.

Voipio said that rockweed almost disappeared from the southwestern archipelago during the past decade, but is now returning. The reason for this development is unknown.

Voipio explained the decline in the number of seals in the Baltic as being due to the introduction of heavy metals into the sea, but the seal populations is slowly recovering.

Baltic Herring Puzzle Unsolved

The puzzle of the eyeless Baltic herring that have appeared in the open sea is still unsolved. Vuorikemia waste discharges have been blamed for the phenomenon, but the connection between the two has not been clearly proven.

Professor Voipio stated that, as long as the effects of Vuorikemia discharges extend only to coastal waters, they remain a purely internal Finnish affair, since coastal waters are not within the jurisdiction of the Baltic Treaty. The situation will change if it can be shown that pollutants have a more far-reaching effect on the Baltic.

The various kinds of waste discharges affect the fish population in such a way that the numbers of the valuable fishes decrease while those of the so-called worthless fishes increase. These developments are clearly local.

Changes caused by humans just do not occur in the open sea with the possible exception of those occurring in seals, which range between coastal waters and the open sea.

The volume of waste materials in the Baltic is clearly declining because purification of waste water has been stepped up. A new biological purification plant with a processing capacity of 1.5 million cubic meters a day was recently opened in Leningrad.

The Baltic Treaty bans the dumping of oil and other hazardous substances into the sea and the treaty nations have been keeping watch over their own territorial waters to see to it that the ban is complied with.

The Helsinki Commission has formulated essential recommendations against pollution by ships. These have helped: Waste treatment plants are being installed on ships during construction or overhauling and receiving facilities for waste brought in by ships are being built in ports.

Koivisto to Participate in Anniversary Meeting

The Baltic has been spared any big oil spills. According to a Danish estimate, all told from 50,000 to 100,000 tons of oil a year get into the sea.

Next week the Helsinki Commission celebrates its 10th anniversary. On Tuesday President Mauno Koivisto will participate in the anniversary meeting which will continue until Friday as a closed celebration.

At the meeting the first secretary and two specialist secretaries of the Helsinki Commission will be replaced.

Finnish Prof Aarno Voipio has served as first secretary for over 3 years. Commander Fleming Otzen of Denmark has been maritime shipping secretary and Dr Yevgeniy Borisov of the Soviet Union science secretary.

At yesterday's press conference Professor Voipio could not yet say who his and the two specialist secretaries' successors would be.

Helsinki Commission chairman Hubertus Lindner of the GDR recognized Finland's contribution as the initiator of the Baltic Treaty and the Helsinki Commission's as its host country.

11,466
CSO: 3617/116

WESTERN BALTIC COUNTRIES CITE MODEST GAINS IN BALTIC CLEANUP

Helsinki HELSINGIN SANOMAT in Finnish 14 Mar 84 p 12

[Article: "Protection Treaty 10 Years Old; Baltic Has Recovered but Is Not Yet Fully Recovered"]

[Text] Minister Matti Ahde (Social Democrat) demanded more concrete actions to protect the Baltic's vitality when he took the floor for Finland at the international Baltic meeting held in Finlandia House on Tuesday.

Ahde stated that there have been many favorable developments, but he felt that there have not yet been enough concrete results, especially as concerns getting pollutants discharged into the sea from the land under control.

The Finlandia House meeting, which will continue as a closed session until Friday, is an anniversary celebration. Within the next few days the Baltic Treaty will be 10 years old. It was signed on 22 March 1974 and went into effect on 3 May 1980 when all seven coastal nations ratified it.

The treaty was concluded at the initiative of Finland and its permanent secretariat operates in Helsinki. Finnish Prof Aarno Viopio was elected to be its first first secretary. His term of office will come to an end in a few days, at which time a new first secretary will be elected.

The Baltic Protection Commission, the Helsinki Commission, which meets once a year, presents member-nation recommendations which must be unanimously approved. Implementing them is a matter for each coastal nation.

Koivisto: a Trail-Blazing Job

President Mauno Koivisto opened the anniversary meeting. He stated that the Baltic Protection Treaty, the Helsinki Treaty, was achieved in a surprisingly short time when we consider the fact that preparing it was a trail-blazing job. More specifically, what was at issue was the first international agreement in which all factors involved in the pollution of the maritime environment were taken into account.

"We may regard the Baltic as a sort of testing ground in which what is happening is being closely followed by the rest of the entire world. If the parties

to the Helsinki Treaty succeed in halting the pollution of the Baltic, they will have created a new, exemplary environmental policy that will be of growing importance in the future," Koivisto said.

Soviet Union Purifies

The fine spirit of cooperation in the Helsinki Commission was emphasized in each of the seven member-nation — Finland, Sweden, Denmark, the Federal Republic of Germany, the German Democratic Republic, Poland and the Soviet Union — reports.

Especially Eastern bloc delegates stressed their countries' positive achievements in the protection of the Baltic. The Soviet delegate, Minister Vladimir Loginov, said that a total of 2,500 waste water treatment plants have been built at population centers in the Soviet Union on the Baltic coast. The water is regularly biologically treated at these plants and in many cases also chemically.

Thanks to the in part now completed Leningrad waste water purification plant, the quality of water from the Neva has considerably improved and fish catches increased in size. All told construction of the Leningrad purification plant will cost 500 million rubles or about 35 billion markkas. In the Soviet Union they have devoted a total of about a billion rubles to water purification on the Baltic coast.

The Polish delegate, Environment Minister Krysztof Zareba, emphasized the great efforts meeting its obligations with regard to the Baltic has demanded of his country, which is struggling with economic problems. As examples, he mentioned the extensively developed ballast water treatment plant built in Gdansk and purification plants built on Polish merchant ships.

The delegate from the Federal Republic of Germany, Transport Minister Werner Dollinger, said that his country has launched many actions to comply with Baltic Treaty recommendations. Thus discharges coming from that country are severely restricted and they no longer discharge untreated waste water into the Baltic. The dumping of industrial waste into the Baltic is not permitted and waste discharges from ships are largely banned.

A Swan Out of a Duckling

The Danish delegate, Environment Minister Christian Christensen, jestingly compared the creation of the Baltic Treaty to the ugly duckling of fairy tale father Andersen's tale. Many felt the same thing when the treaty was produced, but now it has indeed developed into a white swan. In Christensen's opinion, the national reports submitted at the meeting are reason enough for such a comparison.

Relatively speaking, the most pessimistic of the lot was Swedish delegate Agriculture Minister Svante Lundqvist's presentation. He pointed out the

Baltic's still troublesome problems: In places the oxygen situation in Baltic ground waters is alarming and acid rain has caused heavy metals to flow into the Baltic.

THIRD OF 'ACID RAIN' PRODUCED FROM INSIDE COUNTRY

Helsinki HELSINGIN SANOMAT in Finnish 4 Mar 84 pp 25-26

[Article by Pekka Vuoristo: "Sulphur Is Razing Finland's Forests"]

[Text] Acid rain is destroying forests in Central Europe, but signs of such destruction are now visible in Finland too. Investigators and officials are hurriedly creating the foundation for a Finnish sulphur policy. But how can we keep the sulphur from getting into the air and out of whose pocketbook will the cleanup process be paid for?

Every hour of every day in the year a ship leaves from some Finnish port. Every other one of them carries forest industry products. Over half of our export income comes from the forests....

Familiar? Yes, that is what the forest industry announced on television after Christmas and a rare evening it was.

Even if a Finn makes a living by washing shirts, his standard of living is ultimately governed by the forest. In Finland there are almost 5 hectares of forest for every inhabitant. On every such wood lot 14 cubic meters of new timber a year are grown. Its value as a finished product at an export port is over 9,000 markkas.

What would happen if the forests were to stop growing?

Only a few years ago we could not even begin to imagine that. Quite the contrary. When reports of ruined forests reached us from Central Europe in 1978, they merely seemed to raise the value of Finland's pure natural environment.

Then came reports from Sweden and Norway. The acid sedimentation from industrial pollutants had polluted lakes.

This situation had been inconsistently followed in Finland since as early as 1970. At the end of the decade, in 1980, we suddenly asked ourselves: What if it should happen here? That is when the first real steps were taken to engage in a Finnish study of the sulphur situation.

We now have the results of that study, a large amount of information that has come out of it this past couple of months.

The Interior Ministry committee: Acid discharge in Southern Finland is as great as in Scandinavia's problem areas. More sulphur than the susceptible lake areas can stand is falling on nearly all of Finland. The situation in Finland does not give the impression of being any more favorable at all than in Scandinavia. Over a long period of time forest growth may decline.

The water investigators: Southern Finland's small lakes are acidifying. Half of Western Uusimaa's lagoons are already acidified. The ground water is also threatened with acidification.

The Helsinki University team, which was commissioned by the Trade and Industry Ministry to study the situation: Finland's forests are at the point that precedes a slowdown in growth and forest damage. Growth may slow down as early as the next decade.

All of a sudden it is no longer a question of a few graybeards bemoaning the loss of ancient forests. Nor either of unfortunate Central Europeans who are destroying their forest.

It is a question of whether Finland is going to lose 170 billion markkas of its national wealth and the backbone of its national economy.

A considerable slowdown in forest growth from what it is now would seriously damage the national economy. How seriously is what they are right now calculating at the Forest Research Institute.

If the worst were to happen and the forests began to die, panic logging would be initiated. Our timber capital would shrink and forest yield would diminish for a long time. Then there would be no point in worrying about turbo engines, stereo and video equipment. Finland would take a healthy stride toward a Middle Ages of the national economy.

350,000 Tons of Sulphur Rain Down on Finland Every Year

The Helsinki University study was the first attempt to explain the overall effect on Finland's forests of environmental changes caused by the industrial world. There was not enough information on their effect on conditions in Finland. Some conclusions were based on theoretical considerations.

The study has also been severely criticized. Especially the timetable for damage to vegetation to begin is felt to be a weak conclusion, one that may even have been pulled out of a hat. The investigators themselves do not claim to have discovered the absolute truth. Acidification is a complex chain of events.

Nearly 350,000 tons of sulphur in the form of different compounds fall on Finland every year.

It is estimated that the susceptible lake areas can withstand a half a gram of sulphur per square meter a year, but that little sulphur falls only in northernmost Lapland. One and a half times as much falls in the southern half of Oulu Province and three times as much near the southern coast.

The sulphur in the air damages the needles and leaves of trees and thus weakens the condition of the trees. Traces of this can be seen in the neighborhood of plants that discharge sulphur.

But the effect of these pollutants through the soil is more insidious and more dangerous to the forest economy than any direct effect. They slowly and irreversibly change plants' living conditions. This extends to everywhere pollutants fall.

The products of sulphur and nitrogen combustion change into acid compounds in the atmosphere. They fall both with and without rain. The soil becomes acid. Sulphur causes about two-thirds of the acidification, nitrogen about one-third.

Then soil nutrients are set in motion. Tree growth accelerates. But little by little the nutrients are washed away out of reach of the plants and growth begins to slow down.

The last to be set in motion are the poisons in the soil. The trees' condition weakens and their resistance disappears. Drought, disease and destructive insects are the last to do their dirty work. The trees die. In the end only grasses grow in the acid soil.

The university team has written three significant reports. Finland's rains have acidified the soil. There are more nutrients in needles than in the 1960's. The forests are at present growing faster than "usual." The data seem to agree well with what is typical of the first stage of acidification.

But the evolution of acidification is still in part pure supposition. While it is now being energetically studied in Central Europe, there are still many unanswered questions. Years will go into obtaining reliable answers.

The chemical and biological cycles of the acidification process are not exactly known. We do not know what combined factors harm the trees.

Their natural resistance breaks down and growth problems only begin decades after pollution has begun. We do not know which factors are shortening or lengthening the time involved. We do not know how big an advantage it is for Finland that pollutant volumes are lower here than in West Germany. Or is the fact that pollution has been here for a shorter time than in Sweden an advantage for Finland? Or is the fact that Finland is barren by nature and that otherwise many plants here live at the extreme limits of their potential a greater hazard?

The research team's timetable is also uncertain because there is no undisputed prediction with regard to Finland's own sulphur discharges. But the investigators, officials and industry all admitted with one voice in February 1984 that damage to forest growth is at least possible in Finland.

Finland Produces a Third of Its Own Sulphuric Rain

The industrial world has been spewing ever larger amounts of pollutants into the air for decades now. Since the source of the damage is not fully known, they do not know whether cutting down on discharges may still help either.

They nevertheless intend to stick to their actions -- the other alternative would be to remain inactive. At least the other damages caused by acid pollutants -- corrosion and health risks -- can be lessened.

The biggest enemy is sulphur. There is twice as much of it in the air as there is nitrogen.

Finland, Sweden, Norway and Denmark are now trying to come to an agreement whereby as many countries as possible would pledge to reduce their sulphur discharges by 30 percent of the 1980 level by 1993. In Europe France, West Germany, Switzerland and Austria have also joined the coalition. The Soviet Union too has announced that it is aiming at the same objective as concerns sulphur in excess of its limits.

The objective may be a modest one. The West Germans are indeed demanding that it be made stricter, but it is uncertain whether the present limit is being widely complied with even now. For example, England does not suffer from remote precipitation. Polish industry can barely pay for its own production costs. It is as yet pointless for them to even start to talk about the matter. For economic reasons the GDR and Czechoslovakia are trying to increase the use of domestic fuel -- coal containing sulphur.

In addition to agreements, the domestic situation is driving Finland into a campaign against sulphur. We produce a third of our total sulphur precipitation. Near the southern coast our share is over half. The farther south we go from Lapland the greater the precipitation, the greater Finland's share -- and the larger the forest production area.

Finland has, however, set out to fight for its soil. We have an international agreement that restricts the drifting [of pollutants] from afar. We have an air protection law that authorizes officials to set limits on discharges. But we have no practical knowledge of how and at what cost discharges might be reduced.

At industry's initiative last fall the Environment Ministry began to look into the matter. Industry feared that they would begin to issue directives and restrictions with having the basic technical and economic data. The report did produce a long list of studies that had not been made.

They are now being rapidly conducted. They expect to come up with a summary next winter. Since they are trying to obtain a 30-percent international agreement by the fall of 1985, Finland too ought to already have its own sulphur policy.

Prices of Low-Sulphur Fuels Rising

These studies should produce information as to how to reduce domestic discharges as much and as cheaply as possible.

Industry is also now frightened. Timber has indeed recently been sold green and lumber is being imported. In Central Europe they may start selling timber cut from dead forests at bargain prices. But as early as the next decade Finland's forests must meet industry's challenge. Industry's plans depend on ever greater forest growth.

Industry is now satisfied that they have already gone a long way toward trying to eliminate discharges to the extent that plant equipment has been modernized. According to advance information, forest industry operations last year produced no more than 14 percent of the total amount of sulphur discharges, whereas 10 years ago the figure was 24 percent.

The chemical and mining industries have also gradually modernized their equipment, making it cleaner. At least part of the 30-percent objective will thus be "automatically" attained.

But nearly two-thirds of Finland's sulphur discharges come from fuels, especially heavy fuel oil and coal. If the objectives are set higher, we will really be ahead.

Industry often recovers sulphur at a fairly cheap price because a lot of sulphur is produced in the various processes. But the costs involved in recovering a given amount of sulphur will rise at a dizzying rate if they try to recover sulphur from fuels or chimney gases that contain only small amounts of it.

Removing sulphur from heavy fuel oil is a complicated chemical operation. It would noticeably clean the air, but the price of the fuel would rise by a third. The price of heavy fuel oil is kept low in Finland for the sake of industry's ability to compete.

In West Germany they have begun to install equipment for cleaning chimney gases in some old coal plants. Finnish industry regards that as an extreme measure. You see, the cleaning plant is not a smokestack filter, but a kind of chemical plant. Building such a cleaning unit into an old plant is expensive and often impossible due to lack of space.

Cleaning is always cheaper if it is taken into consideration when the plant is planned. The cleaning unit accounts for no more than 15 percent of the cost of a new power plant. The competition has increased and prices are going down. Developed in Finland, the so-called suspension layer boiler is especially well-suited to small and medium-sized plants. It recovers sulphur as early as during the burning phase.

It would be easy to keep sulphur in check if we were to import only low-sulphur fuels. Sweden, for example, is trying to do this. It is harder for Finland to do so. Long-term import agreements in practice tie Finland to certain kinds

of fuel. Furthermore, low-sulphur fuel prices are rising as the demand increases. These possibilities are, to be sure, also being looked into.

The debate over sulphur is changing the importance of different forms of energy. Natural gas and nuclear power get a clean bill of health. At the Environment Ministry they cautiously estimate that, if the percentage of electricity produced with nuclear power is retained and as much natural gas as possible is used, a tight policy with other kinds of plants will raise the price of electricity by only a few pennies. What complicates matters is the fact that sulphur-free nuclear power produces its own strain on the environment.

No means of reducing pollutants is cheap. When we get around to combining the most effective means, we wind up with a rather complex aggregate.

Industrial equipment is being improved to the extent the economy can stand it. We are trying to sell natural gas. Cleaning equipment is being installed in new power plants and fuel containing sulphur is being bought for them. They are trying to obtain the more costly low-sulphur fuel from elsewhere in the world for the old plants.

Cleanliness Lowers Consumers' Standard of Living

In Finland the surveillance system is ready. The government will decide what level of air quality we should strive to achieve. Thirteen hundred plants will report to the provincial governments what belches out of their smokestacks. The provinces will compare the amount of pollutants with the air quality objective and issue directives to the plants. The Environment Ministry will be the highest-level supervisory agency.

The first plants have already made their reports and the last ones will do so by spring 1986. The government will, furthermore, decide on the objectives this spring.

The surveillance system is being severely criticized. In the opinion of the environmentalists, the air protection law does not provide the provinces with strong enough means. The Nature Conservation League is demanding that the government not set objectives, but standards that officials would be bound to comply with.

The government intends to decide on a goal for air quality standards in addition to the one for precipitation. There would be a "safety limit," a half a gram of sulphur a year per square meter. Industry is fairly satisfied with the air quality standards. But it feels that the precipitation objective is quite unfounded. You see, they are incapable of achieving it with domestic measures, even if all the plants were to close down. That is why industry says that it is pointless to use it as a guideline for provincial government officials.

No matter how we combat pollutants, it will cost hundreds of millions of markkas a year. Where will they come from?

In the opinion of the Environment Ministry, those who are responsible for them should pay for it. The government is only holding out a carrot for investments in the environment: interest subsidies and loans, as it has up to now.

Industry wants to evenly divide the costs. Otherwise one industrial plant or sector may be subjected to unreasonable burdens and the users of different forms of energy may wind up in different classes of values. Industry's representatives remind us that the goal is, after all, a national or fully universal one.

One way to spread the money around is a tax on pollution, which polluters would pay in accordance with the volume of pollutants they discharge. The funds thus collected would be directed toward reduction of the volume of discharges.

Regardless of how the money is obtained, it will come from consumers' pocketbooks. The millions for the environment are an investment in the future that will not immediately produce anything. Thus it appears to be a lowering of the standard of living, either through prices or taxes.

Keeping watch over its ability to compete with foreign countries, industry is closely following other countries' sulphur policy. If Finland should progress faster than other countries, that portion of the costs which would otherwise come from the pocketbooks of the residents of the countries we export to would be cut from Finns' standard of living.

In the Environment Ministry they nevertheless feel that there is no danger of that. Finland's sulphur policy is even now sadly behind Sweden and West Germany's; at best it is at the average level for Western Europe.

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COUNTRY'S LEADING RESEARCHER ON ACID RAIN COMMENTS

Helsinki HELSINGIN SANOMAT in Finnish 4 Mar 84 p 26

[Article by Vuokko Rajala and Heleena Savela: "Fifteen Years on Behalf of Trees: Satu Huttunen Has Been Studying the Effects of Acidification on Forests at Oulu University"]

[Text] The Academy of Finland's senior researcher, Oulu University lecturer Satu Huttunen, has been studying how air pollutants are eating away at our "green gold." The problem of forest pollution fully captivated her some 20 years ago.

"If I could talk to SAK [Finnish Confederation of Trade Unions] strikers from the steps in front of Suurkirkko [Great Church], I would tell them what tomorrow will be like. Instead of demanding a markka here and a markka there, they ought to get everyone to be concerned with the damage being inflicted on the environment. I can't measure things in terms of money. The wage-earner organizations ought to realize how important it is to preserve an environment fit to live in."

The forests damaged by Oulu's industrial plants cannot be seen from the window of Satu Huttunen's office. From it you can see the other wing of the just-completed Biological Institute building. It was the fourth day the sun had shone this year and its rays struck the lecturer's eyes.

She spoke without gestures but vividly of her work. She explained the effects of increasing acidification on Finland's forests. She offered a clue as to how anyone walking through a forest can study the state it is in. "On a healthy Southern Finnish pine you should see annual clusters of three or four needles, of about 20 on a spruce. Less than that reveals that something is wrong. Of course, you have to look at several trees and in several locations before you can come to any conclusions."

Satu Huttunen drifted to Oulu University because it was the only university in Finland where she could enroll as an absentee student during her first year. Her family had just been founded.

She became a biologist by pure chance: At Oulu she could not study Finnish language and literature all the way through the final exams. Earlier, she had dreamed of earning her daily living by writing. Her great love is still literature: T.S. Elliot, Jorn Donner.

In Oulu Kemira and Typpi Oy provided suitable research materials for her thesis in the late 1960's. Those plants spit so many different poisons into the air that the evergreens' hold on their needles was loosened. Hundreds of hectares of forest dried up and died.

Her field of research was a new one: In the Nordic countries they did not even know that air pollution existed. The subject of her dissertation was a natural one: the effect of air pollutants on forests in the Oulu region.

Now, acidification is a fashionable issue. Central Europe's ghostly forests seem to be a danger that is coming true.

"We underestimate the threat here. Finland's nature system is more susceptible because of the winter. Acidification is coming to us faster. The small difference in time between us and Central Europe is shrinking fast. I don't know whether the forests will be destroyed in this decade or the next.

"People make changes in the environment which they cannot bring together. Blindly strewing nitrogenous fertilizers on fields intensifies the effects of sulphur pollutants. Research on the effects of nitrogen oxides is only in its infancy. Yesterday, while visiting in Stockholm, I discussed the destruction of Skane's forests with my Swedish colleagues. In their opinion, it's obvious that nitrogenous fertilizers are in part responsible for this."

In addition to architecture, the Oulu school has also produced biology. "In the early years I said that I would mark a cross on the wall every time Oulu was asked for expert aid. Universities compete with one another. That affects your work and grants. When you apply for an additional grant to continue with your research, they give it to some other team that is just beginning to study the same thing."

Oulu's Curious School

Real experts work in unison, but research is scattered all over the country. Funders, the Academy of Finland, foundations and ministries are active in their own fields. A bigger investment bringing researchers together is not in sight. Conflicts of interest in issues involving the fate of the nation split their ranks. In Sweden they have been able to mount major research projects. Satu Huttunen showed us a thick mimeographed document in which Swedish researchers' joint program was assembled.

The Oulu school is intellectually free, curious and eager to experiment. "Here we indulge in all sorts of daydreams: We study the special features of the natural environment of the north and the winter ecology. We adapt the data of our basic research to environmental issues. At a young university thinking is not squeezed into the old mold. Helsinki University research is based on

narrow traditions. There they think that everything has to happen in Helsinki. But distances have shrunk; we remain in contact with the outside world in an unbiased manner. Exchange of information and an active attitude stimulate research."

Satu Huttunen acknowledged the statistics on trips and phone calls made by the institute she heads. Medicine to keep the researcher alive: You have to be active in many ways; living only for a university stifles an individual. You have to be bold, even if you should be reprimanded for it. You have to have ideas and read other people's ideas. You have to be creative. You have to have the courage to speak foreign languages.

A female researcher needs additional qualities. She has been taught to trust the word of a male researcher. "When you're a woman and you fly from Oulu to Helsinki, on that 45-minute flight your intelligence quotient noticeably drops. At the university the distinction between men and women is intellectual; it does not seem to be at all in terms of posts or grants."

Men control forests and forestry. When Satu Huttunen went to a forestry conference for the first time in West Germany, 100 men filled the hall. The men noticed only the woman, and the following year the results of her research as well.

"I have been accused of a desire to flaunt my presence and of being a pushy upstart. But when a person is almost 40 years old and has no tenured position, there is no reason to envy her. You can't eat honors and fame, nor can you save them."

Satu Huttunen has not withheld the results of her research as is the custom with researchers. In her opinion, research results should not be left to gather dust on the shelf, although overly eager publication may weaken scientific credibility.

With environmental problems it is pointless for the researcher to sit around and wait for results because positive proofs lead to irreversible destruction. A forestry researcher approaches forests from a technical standpoint. He wants to see the evidence of the ravages first and, after getting to the roots of the problem, he places his faith in his skill as a forester: He grows a healthy and productive forest in place of the old one. Trained as a biologist, he has to consider the risks beforehand. He can put himself in the tree's place. It withers away when nourishment — water, soil or air — is polluted.

Idealist and Smug Industry

Satu Huttunen has had inflammable relations with industry. They figured that she belonged to the category of habitual idealists. When she applied for the position of environmental protection chief at an industrial plant, the manager said that they did not accept women, especially not well-known women. He wanted a nice young man whom he could mold.

Industry still underestimates acidification. Kemira advertises in green headlines: "The forests are Finland's Sampo [mythical magic mill, golden goose]. That's why they have to be fertilized. A fertilized forest produces more wood." On the other hand, in the Swedish magazine ASEA they advertise their own suspension bed power plant with a full-page ad.

Ahlstrom, a Finn, has developed the same kind of sulphur-eliminating power plant alternative. They do not mention that because they think that everything is all right without getting rid of the sulphur. Forest and agricultural experts claim that we have forests for every need, that we have the world's cleanest food. They do not realize that at the present rate cleanliness will not last.

During a recent interview, the director of the Industrial Confederation, Timo Relander, was quick to boast: "In Central Europe people are with good reason worried about their environment. Here, however, the situation is quite different. Finnish industry understands its responsibility for the environment."

Finland's natural environment is cleaner than that of Central Europe, but traces of damage are beginning to be visible.

In the forests of Vantaa spruce are growing whose crowns have thinned out like those in Germany. In West Germany they call them window spruce because you can see the tree through the window thus created. Sulphur prevents vitamin C from being produced in the berries in the woods. In fertilized forests lingonberry bushes luxuriantly produce stout stalks, but the fertilizer sterilizes the bushes and there are no berries. Beard moss has completely disappeared from this country and lichens cannot survive near the cities at all. Moss growing in rain water suffers....

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QUASHED REPORT SHOWED USE OF FOREST WEED KILLERS LACKS BENEFIT

Helsinki HELSINGIN SANOMAT in Finnish 9 Mar 84 p 3

[Text] After harping on the matter for several months, the board of directors of the Forest Research Institute has banned publication of a study which assembles the results of Finnish research on weed killers.

According to the shelved report, it has been scientifically demonstrated that there is no economic benefit to be derived from weed killers. At Joensuu College it has been proven that, aside from being unnecessary, herbicides used in accordance with present-day instructions are also harmful.

There are abundant examples of damage caused by spraying. The herbicides impoverish the natural forest environment in many ways by first affecting flora and then fauna.

On the basis of many studies, it seems that the poisons lower forest soil productivity. Using overly large doses of poison, in its own tests the Forest Research Institute has gotten soil productivity to drop completely in two classes of plant habitats.

Additional damages caused by herbicides are those inflicted on saplings and ineffectiveness if the herbicides are applied under slightly inappropriate circumstances. In some tests these substances got the weeds to grow at a wildly accelerated rate.

The director of the Forest Research Institute, Olavi Huikari, said that the report had been shelved because they felt that the interpretations that were made of the studies presented in it were unscientific.

Both official forestry professors defended publication of the study, but, according to Huikari, the Forest Research Institute board of directors does not need to take their statements into consideration. In his opinion, the institute is not trying to influence the bill governing the aerial spraying of herbicides either.

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